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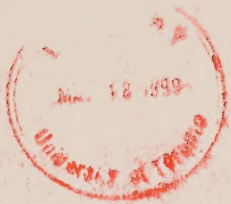




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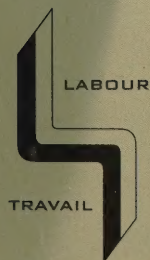
Workplace GAZETTE

An
Industrial
Relations
Quarterly



Spring 1999

- Major Wage Settlements – Annual and Fourth Quarter 1998
- Collective Bargaining Forecast – 1999
- Workplace Training and Learning
(See Table of Contents, Section 3)



Workplace GAZETTE

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Relations
Quarterly



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FOREWORD

The Workplace Gazette presents a wide range of collective bargaining information to meet the ever-changing needs of the industrial relations community. Its purpose is to provide a sound base for research in support of the bargaining process.

It includes information and analysis on wage adjustments, collective agreement provisions, innovative workplace practices, work stoppages, upcoming important negotiations, and other related topics.

SECTION 1 includes quarterly/annual data on wage adjustments in major collective agreements, both current and

historical, by public/private sectors, region, jurisdiction, and major industry.

SECTION 2 provides a detailed analysis of selected provisions, those of current interest, found in major collective agreements. Also included is a listing of collective agreement expiries/reopeners, and information on work stoppages in Canada.

SECTION 3 summarizes innovative practices in the workplace resulting from collective bargaining. It also presents articles, case studies, and other recent trends in industrial relations.

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the Social Science Employees Association and the Public Service
Alliance of Canada.*

MESSAGE FROM THE MINISTER



*The Honourable
Claudette Bradshaw, P.C., M.P.
Minister of Labour*

I am pleased to have this opportunity to preface the Spring 1999 edition of the *Workplace Gazette* and to introduce myself to the readers of this interesting and informative publication. This issue is of particular interest since it contains many excellent articles on the important issue of worker training, generally viewed as a key ingredient in the competitiveness of Canadian enterprises through its contribution to increased worker employability.

I have only been the federal Labour Minister for a short period of time but I have long known of the exceptionally durable and effective industrial relations institutions that have evolved in this country. The primary federal labour law, the *Canada Labour Code*, has been a force in the federal jurisdiction for stable industrial relations and a fair, safe, healthy and productive workplace. Our collective bargaining system, a vital pillar of our democratic system, has made a significant contribution to the country's economic and social development. The people involved with the labour unions and employer organizations have shown themselves to be prudent, professional and highly knowledgeable in forging an industrial relations system which has proven to be responsive to the constantly changing world of work. They have demonstrated a willingness and an ability to address complex issues in ways which will benefit both Canadian enterprises and working people.

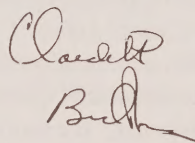
I have recently introduced new changes to Part I of the *Canada Labour Code* designed to streamline the bargaining process and address areas of concern raised by labour and management during a comprehensive review of the legislation. Over 90 per cent of cases referred annually to the Federal Mediation and Conciliation Service for third-party assistance are resolved without resort to work stoppage action.

In order to maintain healthy industrial relations, it is imperative to ensure that the legislative framework for the system adequately reflects the realities of the modern workplace. This is why the legislation provides for periodical round table meetings of industrial relations experts, along with representatives of trade unions and employers, to advise me of issues and concerns in the industrial relations area.

Naturally, we face additional challenges within the Labour Program. We want Canadians to have access to jobs that meet their needs and aspirations; we want workplace injuries and fatalities to be reduced; and we want workplaces that are hospitable to both men and women, aboriginal peoples, persons with disabilities, members of visible minorities - to all Canadians. To deal with some of these challenges, I am continuing to review both Part II (Occupational Safety and Health) and Part III (Employment Standards) of the *Canada Labour Code* in consultation with employer and labour groups. Our fundamental objective of this process, similar to that of the Part I review, is to ensure that the provisions contained in the legislation adequately address contemporary workplace realities effectively.

Those of you who know of my background in New Brunswick know that I have been a community activist for most of my adult life. Poverty, particularly child poverty, is a deep concern of mine and one of the major reasons that I entered politics. In addition to my many responsibilities as Labour Minister, I will be continuing my efforts to ensure that, as a nation, we move towards a just and inclusive society which provides that an individual begins life with his or her basic needs met, dignity affirmed and potential acknowledged and is provided with the opportunity to become a productive and contributing member of society.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Claudette Bradshaw', with a stylized flourish at the end.

Claudette Bradshaw, P.C., M.P.

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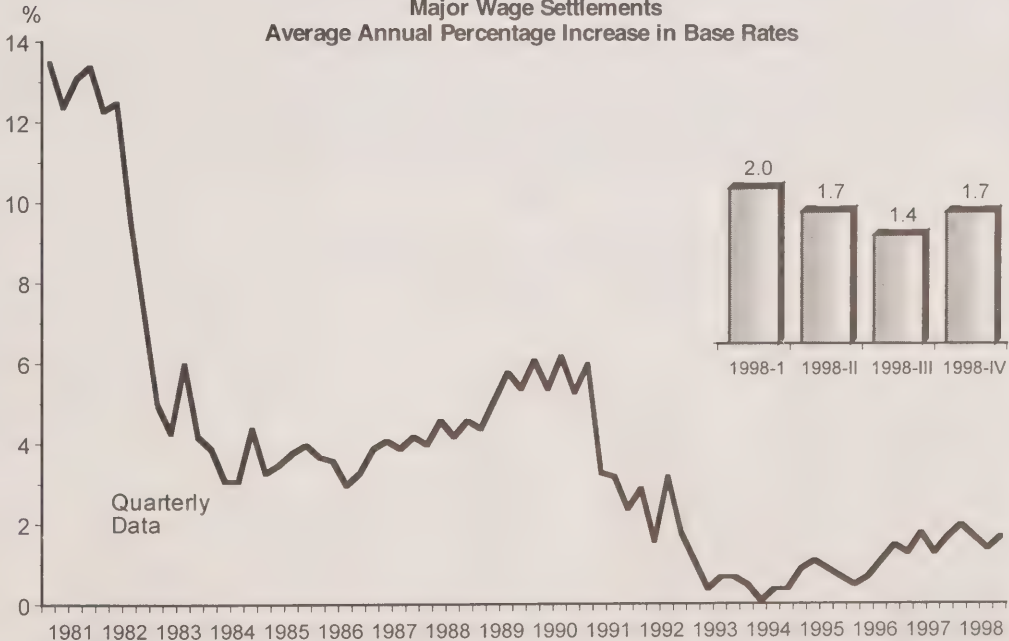
MAJOR WAGE SETTLEMENTS* – ANNUAL AND FOURTH QUARTER 1998

Annual Summary

- Annual base rate wage adjustments averaged 1.6 per cent; the same as in 1997
- Average contract duration of 32.0 months; the same as in 1997
- Public sector wage adjustments averaged 1.6 per cent, an increase from 1.2 per cent in 1997
- Private sector wage adjustments averaged 1.8 per cent, a decrease from 2.1 per cent in 1997
- Total settlements subject to wage freezes and rollbacks amounted to 9.1 per cent of all employees in all settlements
- Wage adjustments were highest in the Prairie provinces averaging 2.5 per cent in 79 settlements covering 129,020 employees; wage adjustments were lowest in British Columbia averaging 0.7 per cent in 30 settlements covering 148,570 employees
- Quarterly average wage adjustments were as follows: first, 2.0 per cent; second, 1.7 per cent; third, 1.4 per cent and fourth, 1.7 per cent

Chart A

Major Wage Settlements Average Annual Percentage Increase in Base Rates



Source: Workplace Information Directorate

* Major settlements are those involving bargaining units of 500 or more employees. All wage rate adjustments over the term of these agreements, including those arising from cost-of-living clauses (COLA), are taken into account. The yield of such COLA clauses is estimated on an assumed 2.0 per cent annual increase in the Consumer Price Index.

Overview

Major collective bargaining settlements reached in the year 1998 provided base rate wage adjustments averaging 1.6 per cent annually over the contract term, the same as in 1997, and above the 0.9 per cent averages in both 1995 and 1996.

While there has been a modest uptrend in the size of average wage adjustments from 1994's historical low of 0.3 per cent, the gain of 1.6 per cent in 1998 marks the first in four years that the average wage adjustment has been above the rate of increase in the Consumer Price Index, which was 0.9 per cent in 1998. The 1998 wage settlements increase of 1.6 per cent remains well below its most recent peak of 5.6 per cent in 1990.

The overall wage adjustment from the 1998 settlements was above the rate in contracts they replaced. There were 389 major agreements recorded in 1998, with a coverage of 909,940 employees. When the parties to these settlements previously negotiated, the resulting wage adjustments averaged 0.9 per cent, compared to the 1.6 per cent in their 1998 contracts.

Contract duration in settlements reached in 1998, at an average of 32.0 months, was the same as in 1997, and marks the fourth consecutive year with an average contract-duration of 32.0 months or more. Contract-

duration had been below 30 months in all other years since the collective bargaining series commenced in 1978 and, as recently as 1991, averaged 18.2 months. Private-sector contracts have been generally of slightly longer duration than those in the public sector in the 1990s, although in 1991 the margin was even wider.

Distribution by Size of Wage Adjustments

The modest rise in average wage adjustments in the past few years has been accompanied by a declining incidence of wage freezes and cuts. In 1998, 82,790 employees in 50 settlements were subject to wage freezes and cuts (3,210 employees in four settlements with wage rollbacks). The total subject to freezes and rollbacks amounted to 9.1 per cent of all employees (909,940) in all settlements (389) reached in 1998. In contrast, in 1993, approximately 926,700 employees in 237 settlements were subject to wage freezes and cuts, constituting close to two-thirds (65.6 per cent) of all employees in the 518 settlements reached in that year. The incidence of wage freezes and wage rollbacks has declined since 1993 as follows: 1994, 62.2 per cent of employees; 1995, 24.8 per cent; 1996, 35.0 per cent; 1997, 18.8 per cent and 1998, 9.1 per cent.

In contrast to earlier years, the private sector accounted for a proportionately larger number of employees with wage freezes and cuts. In 1998,

Table 1
Distribution of Agreements and Employees
by Size of Wage Adjustments

Adjustment Range	Agreements		Employees	
	Number	Percentage	Number	Percentage
less than 0%	4	1.0	3,210	0.4
0%	46	11.8	79,580	8.7
>0.0% to 0.9%	44	11.3	185,800	20.4
1.0% to 1.9%	112	28.8	277,400	30.5
2.0% to 2.9%	123	31.6	282,540	31.1
3.0% to 3.9%	39	10.0	52,800	5.8
4.0% to 4.9%	10	2.6	7,760	0.9
5.0% to 5.9%	4	1.0	4,150	0.5
6.0% and over	7	1.8	16,700	1.8
ALL LEVELS	389	100.0	909,940	100.0

Source: Workplace Information Directorate

45,430 private-sector employees were subject to wage freezes and cuts – 16.9 per cent of all private-sector employees in the year's settlements; in contrast, 37,360 public-sector employees – 5.8 per cent of all public-sector employees were subject to wage freezes and cuts in 1998.

With average wage adjustments in 1998 almost equal between the private (1.8 per cent) and public (1.6 per cent) sectors, the distribution of wage adjustments in the two sectors has been closer than in recent years. In 1998, 59.7 per cent of public-sector employees gained increases in the 1.0 to 2.9 per cent range, compared to 66.0 per cent of private-sector employees. By contrast, in the 1993 distribution of wage adjustments, 16.2 per cent of public-sector employees received wage gains in the 1.0 to 2.9 per cent range, compared with 41.3 per cent of private-sector employees; average wage adjustments in 1993 were 0.6 per cent in the public sector, and 0.8 per cent in the private sector.

Public and Private Sectors

The stability in the overall level of wage adjustments at 1.6 per cent in both 1997 and 1998 resulted from

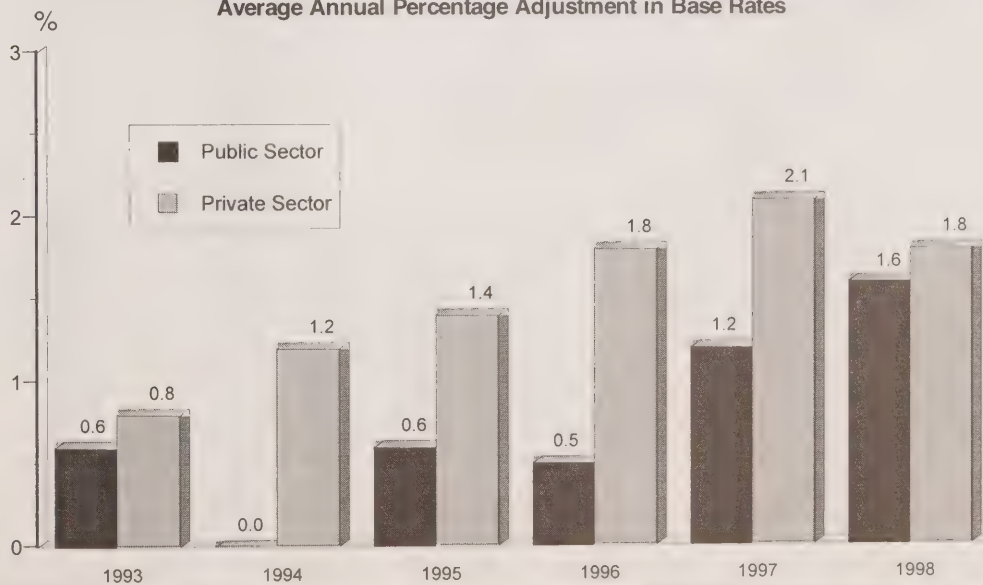
movements in opposite directions of average wage adjustments in the public and private sectors. In the public sector, wage adjustments averaged 1.6 per cent for 641,450 employees in 215 settlements reached in 1998, an increase from the 1.2 per cent average adjustment in that sector in 1997. In the private sector, wage adjustments in 1998 for 268,490 employees in 174 settlements averaged 1.8 per cent, down from an average of 2.1 per cent in 1997. Although private-sector wage gains remain above those in the public sector, as they have since 1990, the gap has narrowed considerably since 1996.

Wage Adjustments by Region/Jurisdiction

On a regional/jurisdictional basis, wage adjustments were highest in the Prairie provinces, where 129,020 employees received wage adjustments averaging 2.5 per cent in 79 settlements. The majority of these employees in Alberta, 77,980, gained wage adjustments averaging 3.0 per cent. In Saskatchewan, 32,180 employees received wage adjustments averaging 1.8 per cent, and in Manitoba, for 18,860 employees wage adjustments averaged 1.5 per cent.

Chart B

Major Wage Settlements - Public and Private Sectors
Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate

For 184,640 employees in 46 agreements in the Federal jurisdiction, wage adjustments averaged 2.1 per cent. Of these, 134,610 in 24 agreements were public-sector employees (124,200 under the *Public Service Staff Relations Act*) with wage gains averaging 2.2 per cent. In the federal private sector, 50,030 employees in 22 agreements received wage adjustments averaging 1.8 per cent.

In Atlantic Canada, 93,280 employees in 42 agreements received wage adjustments averaging 1.9 per cent. They were led by Nova Scotia's, 38,390 employees in 17 settlements, with wage adjustments averaging 2.5 per cent. In New Brunswick, 25,030 employees in 14 agreements received wage adjustments averaging 1.5 per cent; in Newfoundland, 25,920 employees in eight settlements averaged increases of 1.3 per cent, and in Prince Edward Island, 3,940 employees in three settlements gained an average 2.1 per cent increase.

The largest concentration of employees was in Ontario, with 267,280 employees (29.4 per cent of the total) receiving wage adjustments averaging 1.6 per cent in 139 settlements. In 76 public-sector settlements in the province, 166,990 employees

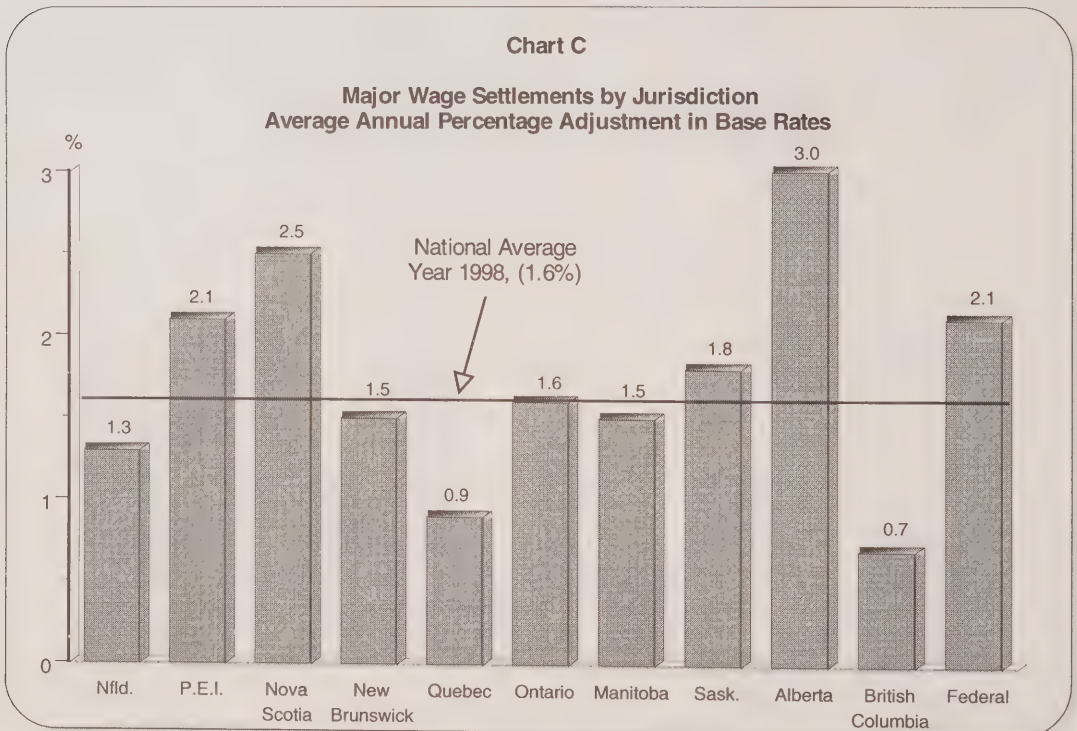
received wage adjustments averaging 1.3 per cent, while 100,290 private-sector employees gained an average of 2.1 per cent in 63 agreements.

In Quebec, 81,110 employees received wage adjustments averaging 0.9 per cent in 51 settlements. The 57,510 private-sector employees received an average 0.9 per cent increase, (including 43,320 manufacturing-sector employees at 1.0 per cent); 23,600 public-sector employees gained wage adjustments averaging 0.8 per cent in 14 settlements.

Average wage adjustments were lowest in British Columbia, where 148,570 employees received an average of 0.7 per cent in 30 settlements. The vast majority, 132,640 employees in 14 settlements, were in the public sector with wage adjustments averaging 0.7 per cent; 15,930 private-sector employees in 16 agreements gained an average of 1.3 per cent.

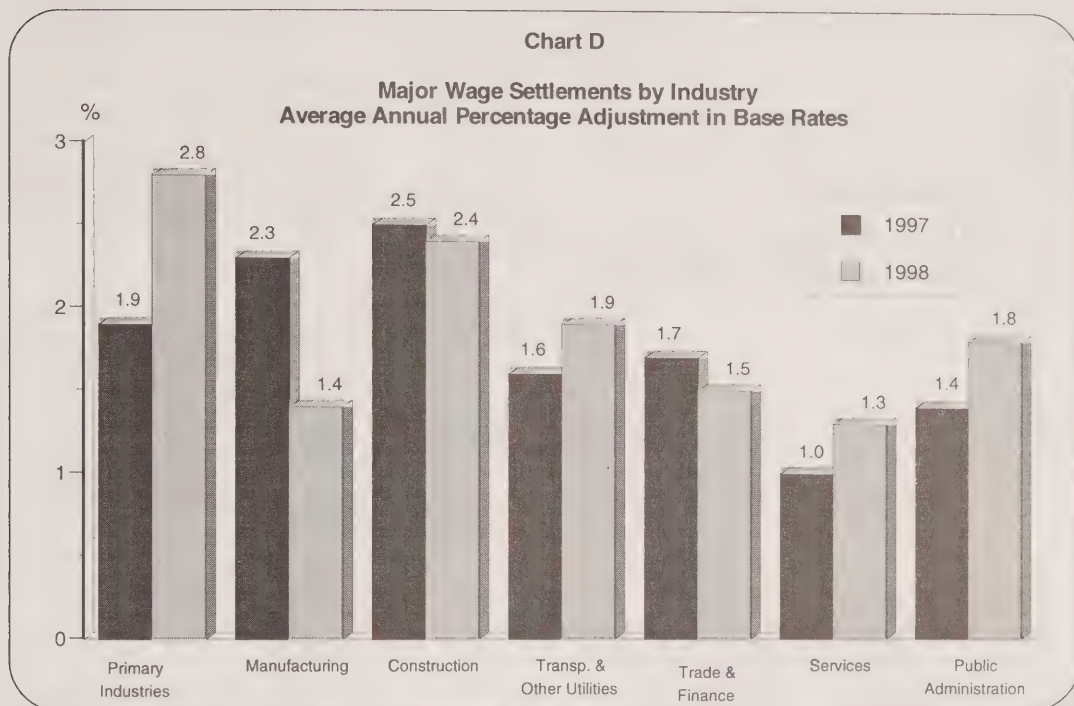
Wage Adjustments by Industry

The largest concentration of employees by industry in 1998 was in the Community, Business and Personal Services sector, with 369,810 employees in 145 settlements receiving the lowest average wage



adjustment of 1.3 per cent. In the primary sector, the smallest number of employees, 700 in a single agreement, gained a 2.8 per cent increase. In the Construction sector, 95,010 employees received an average adjustment of 2.4 per cent in 48 settlements, and in Transportation, Communication and Other Utilities, 85,790 employees received an average

adjustment of 1.9 per cent. In Public Administration, the second largest concentration of employees, 247,150 in 61 settlements, received an average 1.8 per cent gain. In the Trade and Finance sector, 25,250 employees in 16 agreements received wage adjustments averaging 1.5 per cent, while in manufacturing, 86,230 employees in 75 agreements received adjustments averaging 1.4 per cent.



Source: Workplace Information Directorate

FOURTH QUARTER – 1998

Base-rate wage adjustments from major collective bargaining settlements reached in the fourth quarter of 1998 averaged 1.7 per cent. Average wage adjustments for other quarters of the year were as follows: first quarter, 2.0 per cent; second quarter, 1.7 per cent; and third quarter, 1.4 per cent.

The fourth-quarter 1998 results are based on a review of the 98 settlements reached in the period, and cover 238,010 employees. The previous negotiations conducted by these parties had resulted in agreements with an average wage adjustment of 1.3 per cent compared to the 1.7 per cent in their fourth-quarter 1998 settlements.

Sixteen of the 98 agreements reached in the fourth quarter of 1998 provided for wage freezes and one wage rollback for 25,290 employees (10.7 per cent of the 238,010 employees in the fourth-quarter settlements). For 78,000 employees, close to one-third (32.8 per cent) of all employees, wage gains were in the 1.9 per cent and under range. The majority of employees, 120,380 or 50.6 per cent, received wage increases in the 2.0 to 2.9 per cent range.

The vast majority of employees in the fourth-quarter settlements were in the public sector, with 200,190 employees in 64 settlements receiving wage adjustments averaging 1.7 per cent. Among them

were 100,450 federal public servants in six agreements with wage gains averaging 2.3 per cent. For 74,380 education-sector employees in 42 settlements, wage adjustments averaged 0.9 per cent; 62,600 of these employees in 35 settlements were in Ontario with wage adjustments averaging 0.7 per cent.

In the private sector, wage adjustments averaged 1.9 per cent for 37,820 employees in 34 agreements reached in the fourth quarter of 1998. They included 13,680 employees in 11 agreements in the Quebec manufacturing sector, with wage gains averaging 1.5 per cent, and 11,140 construction workers in 10 agreements (in several jurisdictions), with wage increases averaging 2.4 per cent.

On a regional/jurisdictional basis, adjustments were largest in the Prairie provinces, with 22,580 employees

averaging gains of 2.6 per cent in 15 agreements. In the Federal jurisdiction, with 105,410 employees in 10 settlements (the largest employee-concentration by jurisdiction), wage gains averaged 2.2 per cent.

Average wage adjustments were lowest in Ontario, at 0.8 per cent for 72,510 employees in 45 agreements. Average wage adjustments in other regions/jurisdictions were: Atlantic Canada, an average of 1.8 per cent for 10,710 employees in 10 agreements; Quebec, 1.4 per cent for 15,880 employees in 13 agreements; and British Columbia, 0.9 per cent for 10,920 employees in five agreements.

Table 2 below shows the distribution of wage adjustments (in descending order) by industry, employees and agreements for the fourth quarter.

Table 2
Wage Gains by Industry - Fourth Quarter 1998

	<u>Agreements</u>	<u>Employees</u>	<u>Average Annual % Increase</u>
Construction	10	11,140	2.4
Public Administration	15	113,090	2.2
Transportation, Communication and Other Utilities	4	4,060	2.2
Community, Business and Personal Services	48	85,580	1.7
Manufacturing	18	18,070	1.6
Trade and Finance	3	6,070	1.5
ALL INDUSTRIES	98	238,010	1.7

Source: Workplace Information Directorate

COLLECTIVE BARGAINING FORECAST – 1999

In December of each year, the Workplace Information Directorate undertakes a "forecasting" exercise to estimate the wage outcomes of collective bargaining for the coming year.

The forecast data are developed using internal and external expertise and individual forecasts are aggregated and weighted based on employee coverage for major collective agreements (more than 500 employees) likely to be settled in 1999.

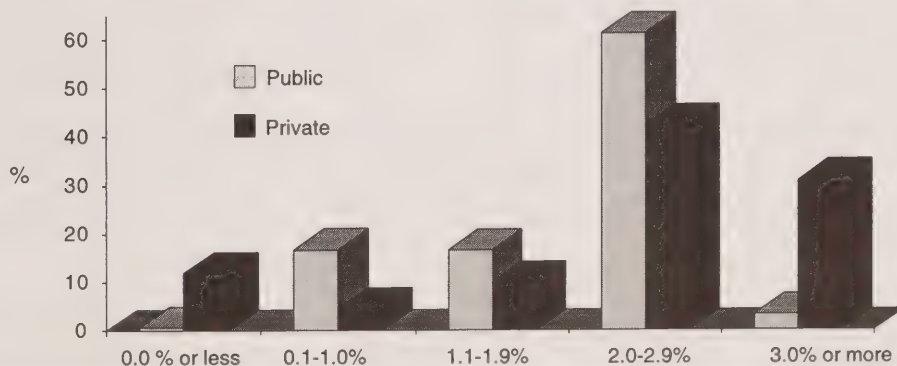
Highlights of 1999 Forecast

Number of major agreements to settle	434	Overall wage adjustment	2.0%
Number of employees covered	1,103,760	• Private sector	2.2%
Projected CPI	1.4%	• Public sector	2.0%

Forecast Average Increases by Industry Group

Manufacturing	2.7%	Services	1.9%
Trade and Finance	2.2%	Construction	1.7%
Public Administration	2.1%	Primary Industries	1.7%
Transportation, Communication and Other Utilities	2.1%	All Industries	2.0%

Predicted Distribution of Employees by Size of Wage Increase – 1999



Source : Workplace Information Directorate

Other Forecasts

Conference Board of Canada (Compensation Planning Outlook, October 1998)

Overall	2.3%
Private sector	2.4%
Public sector	2.0%

Canada Labour Views (September 1998)

Overall	2.5%
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MAJOR SETTLEMENTS REACHED IN THE FOURTH QUARTER OF 1998

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Manufacturing (18 agreements)	18,070	1.6	1.3	42.2	
Abitibi-Consolidated Inc., mill employees, Grand Falls (Nfld.)	530	1.8	0.0	72.0	2004-04-30
Abitibi-Consolidated Inc., mill employees, Iroquois Falls (Ont.)	580	1.8	0.0	72.0	2004-04-30
Abitibi Consolidated Inc., mill employees, Grand-Mère (Que.)	500	1.8	0.0	72.0	2004-04-30
Abitibi Consolidated Inc., mill employees, Trois-Rivières (Que.)	600	1.8	0.0	72.0	2004-04-30
Abitibi Consolidated Inc. (Belgo Division), mill employees, Shawinigan (Que.)	540	1.8	0.0	72.0	2004-04-30
Alcan Smelters and Chemicals Ltd., hourly rated employees, Shawinigan (Que.)	500	0.0	0.0	12.0	1999-12-31
Alcan Smelters and Chemicals Ltd.(Arvida), hourly rated employees, Jonquière (Que.)	2,450	0.0	0.0	12.0	1999-12-31
Associated Clothing Manufacturers of the Province of Quebec Inc., production employees, Montréal (Que.)	3,500	2.1	2.1	36.0	2001-11-30
Compagnie Gaspésia limitée, mill employees, Chandler (Que.)	520	1.8	0.0	72.0	2004-04-30
Donahue QUNO Inc., mill employees, Baie-Comeau (Que.)	800	1.7	-0.0	72.0	2004-04-30
Daishowa Inc., mill employees, Québec (Que.)	850	1.8	0.0	72.0	2004-04-30
Electrolytic Zinc of Canada Limited, production employees, Valleyfield (Que.)	540	2.6*	2.6	36.0	2001-10-31
John Deere Welland Works (of John Deere Limited), plant and maintenance employees, Welland (Ont.)	520	1.1*	2.5	36.0	2001-09-30
Lear Corporation (formerly Lear Seating Canada Ltd.), plant and maintenance employees, Kitchener (Ont.)	600	4.1*	4.4	36.0	2001-12-31
Levi Strauss & Co. (Canada) Inc., plant and maintenance employees, Edmonton (Alta.)	510	1.4	-0.0	36.0	2001-10-14
Maple Lodge Farms Ltd., production employees, Norval (Ont.)	1,100	0.7	0.0	24.0	2000-10-12
Pratt & Whitney Canada Inc., plant and maintenance employees, Longueuil (Que.)	2,880	1.9*	4.0	36.0	2002-02-28
Scott Paper Limited (Western Manufacturing Division), mill employees, New Westminster (B.C.)	550	2.0	0.0	72.0	2003-04-30
Construction (10 agreements)	11,140	2.4	2.4	35.0	
Alberta Construction Labour Relations Association, insulation workers, province-wide (Alta.)	1,500	6.2	6.3	24.0	2001-04-30
Construction Labour Relations Association of Manitoba, electricians, province-wide (Man.)	600	1.5	0.5	36.0	2001-04-30
Construction Management Bureau Limited, electricians, province-wide (excluding Cape Breton Island) (N.S.)	850	1.6	1.6	36.0	2001-04-30
Construction Management Bureau Limited, plumbers and pipefitters, province-wide (excluding Cape Breton Island) (N.S.)	750	1.6	1.8	36.0	2001-04-30
Masonry Industry Employers Council of Ontario, bricklayers, province-wide (Ont.)	3,500	1.9	2.6	36.0	2001-04-30
Metropolitan Plumbing and Heating Contractors Association, plumbers and pipefitters, Metropolitan Toronto (Ont.)	700	2.5	1.6	36.0	2001-04-30

* Agreements with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Construction (continued)					
National Elevator and Escalator Association, elevator constructors, province-wide (Ont.)	900	1.6	0.4	36.0	2001-04-30
Saint John Construction Association Inc., labourers, Saint John County (N.B.)	600	3.0*	3.0	48.0	2003-06-30
Sheet Metal Air Conditioning Contractors National Association, sheet metal workers, province-wide (excl. Vancouver Island) (B.C.)	1,200	0.7	0.7	36.0	2001-04-30
Toronto-Residential Air Handling Group, sheet metal workers, Toronto (Ont.)	540	2.8	2.3	36.0	2001-04-30
Transportation, Communication and Other Utilities (4 agreements)	4,060	2.2	3.0	44.7	
Alberta Power Limited, plant and maintenance employees, province-wide (Alta.)	990	3.2	3.5	36.0	2001-12-31
Expertech Network Installation Inc., technical employees, province-wide (Ont. and Que.)	1,400	0.9	1.5	48.0	2001-11-30
Greater Toronto Airports Authority, office and clerical employees, Toronto (Ont.)	520	4.1*	8.0	72.0	2003-07-31
SaskPower, plant and maintenance employees, province-wide (Sask.)	1,150	2.0	2.0	36.0	2000-12-31
Trade and Finance (3 agreements)	6,070	1.5	1.7	35.7	
Canada Safeway Limited, retail employees, Winnipeg (Man.)	4,000	1.3	1.5	42.0	2001-11-10
Manitoba Public Insurance Corporation, office and clerical employees, province-wide (Man.)	1,070	2.0	2.0	12.0	1999-09-25
Okanagan Federated Shippers Labour Relations Association, plant and maintenance employees, Kelowna (B.C.)	1,000	2.0	2.0	36.0	2001-08-31
Community, Business and Personal Services (48 agreements)	85,580	0.9	0.9	27.2	
Avon Maitland District School Board, secondary teachers, Stratford (Ont.)	500	1.3	2.7	24.0	2000-08-31
Bluewater District School Board, elementary teachers, Chesley (Ont.)	800	1.1	0.0	24.0	2000-08-31
Board of Trustees of Edmonton School District No. 7, elementary and secondary teachers, Edmonton (Alta.)	4,200	3.5	4.0	24.0	2000-08-31
Brink's Canada Limited, armoured car services, province-wide (Ont.)	700	2.1	2.1	49.0	2002-08-27
Calgary Regional Health Authority, non-medical employees, Calgary (Alta.)	800	3.0	3.0	36.0	2001-03-31
Dalhousie University, office and clerical employees, Halifax (N.S.)	800	2.2	4.0	44.0	2001-06-30
Dufferin Peel Catholic District School Board, elementary teachers, Mississauga (Ont.)	2,600	1.0	1.0	24.0	2000-08-31
Durham Catholic District School Board, elementary teachers, Oshawa (Ont.)	940	1.7	2.0	24.0	2000-08-31
Durham District School Board, elementary teachers, Whitby (Ont.)	2,500	0.7	1.5	24.0	2000-08-31
Elk Island Public Schools Regional Division No. 14, elementary and secondary teachers, Elk Island (Alta.)	860	4.0	5.0	24.0	2000-08-31
Government of New Brunswick, educational services, province-wide (N.B.)	770	1.5	1.5	54.0	2002-04-30
Government of New Brunswick, general tradesmen (non-construction), province-wide (N.B.)	2,510	1.5	1.5	36.0	2001-03-31

* Agreements with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Community, Business and Personal Services (continued)					
Grand Erie District School Board, secondary teachers, Brantford (Ont.)	720	3.4	0.6	24.0	2000-08-31
Halton Catholic District School Board, elementary teachers, Burlington (Ont.)	800	1.0	1.0	24.0	2000-08-31
Halton District School Board, elementary teachers, Burlington (Ont.)	1,650	0.5	0.5	24.0	2000-08-31
Halton District School Board, secondary teachers, Burlington (Ont.)	1,150	0.0	0.0	24.0	2000-08-31
Hamilton-Wentworth Catholic District School Board, elementary teachers, Hamilton (Ont.)	1,000	1.0	1.0	24.0	2000-08-31
Hamilton-Wentworth District School Board, secondary teachers, Hamilton (Ont.)	1,200	0.0	0.0	24.0	2000-08-31
Health and Community Services Agency and Regional Health Authorities, non-medical employees, province-wide (P.E.I.)	800	2.1	2.0	36.0	2001-03-31
Health Employers Association of British Columbia, non-medical employees, province-wide (B.C.)	7,580	0.7	0.0	36.0	2001-03-31
Kawartha Pine Ridge District School Board, secondary teachers, Peterborough (Ont.)	860	-0.8	-2.5	24.0	2000-08-31
Lakehead District School Board, elementary teachers, Thunder Bay (Ont.)	500	0.0	0.0	24.0	2000-08-31
Lambton Kent District School Board, secondary teachers, Sarnia (Ont.)	680	2.5	-0.0	24.0	2000-08-31
London District Catholic School Board, elementary and secondary teachers, London (Ont.)	1,300	0.5	0.0	24.0	2000-08-31
Near North District School Board, elementary teachers, North Bay (Ont.)	530	0.0	0.0	24.0	2000-08-31
Ottawa-Carleton Catholic District School Board, elementary and secondary teachers, Nepean (Ont.)	2,100	0.5	-0.0	24.0	2000-08-31
Ottawa-Carleton District School Board, secondary teachers, Nepean (Ont.)	1,850	0.0	0.0	24.0	2000-08-31
Peel District School Board, elementary teachers, Mississauga (Ont.)	4,450	0.0	0.0	24.0	2000-08-31
Peel District School Board, secondary teachers, Mississauga (Ont.)	2,200	0.0	0.0	24.0	2000-08-31
Rainbow District School Board, elementary teachers, Sudbury (Ont.)	580	0.8	-0.0	24.0	2000-08-31
Rainbow District School Board, secondary teachers, Sudbury (Ont.)	500	0.0	0.0	24.0	2000-08-31
Regional Municipality of Niagara, non-medical employees, Niagara Region (Ont.)	720	1.7	1.0	36.0	2000-12-31
Simcoe County District School Board, elementary teachers, Midhurst (Ont.)	1,400	0.6	0.7	24.0	2000-08-31
Simcoe County District School Board, office and clerical employees, Midhurst (Ont.)	620	0.5	1.0	24.0	1999-12-31
Simcoe Muskoka Catholic District School Board, elementary and secondary teachers, Barrie (Ont.)	1,050	1.0	1.0	24.0	2000-08-31
Société des casinos du Québec, croupiers, Montréal (Que.)	600	1.4	2.0	53.0	2002-12-31
St. Clair Catholic District School Board, elementary teachers, Sarnia (Ont.)	540	0.0	0.0	24.0	2000-08-31
Thames Valley District School Board, elementary teachers, London (Ont.)	3,200	2.6	4.4	24.0	2000-08-31
Toronto District School Board, elementary teachers, Toronto (Ont.)	10,000	0.4	-0.0	24.0	2000-08-31
Toronto District School Board, secondary teachers, Toronto (Ont.)	7,000	0.4	-0.0	24.0	2000-08-31
University of Manitoba, professors, Winnipeg (Man.)	1,040	1.8	2.3	36.0	2001-03-31
University of Sherbrooke, instructors, tutors and lecturers, Sherbrooke (Que.)	1,600	0.0	0.0	60.0	2000-12-31
Waterloo Region District School Board, elementary teachers, Kitchener (Ont.)	1,960	0.0	0.0	24.0	2000-08-31
Windsor-Essex Catholic District School Board, secondary teachers, Windsor (Ont.)	520	4.8	9.9	24.0	2000-08-31

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Community, Business and Personal Services (continued)					
York Region District School Board, elementary teachers, Aurora (Ont.)	3,200	0.0	0.0	24.0	2000-08-31
York Region District School Board, secondary teachers, Aurora (Ont.)	1,800	0.0	0.0	24.0	2000-08-31
York University, part-time teaching assistants, North York (Ont.)	700	3.0	3.0	12.0	1999-08-31
York University, full-time teaching assistants, North York (Ont.)	1,200	3.0	3.0	12.0	1999-08-31
Public Administration (15 agreements)	113,090	2.2	2.5	25.1	
British Columbia Assessment Authority, office and clerical employees, province-wide (B.C.)	590	0.7	-0.0	36.0	2000-12-31
City of Calgary, police officers, Calgary (Alta.)	1,130	3.0	3.0	24.0	1999-12-31
City of Edmonton, firefighters, Edmonton (Alta.)	900	1.6	0.0	72.0	1999-12-25
City of Edmonton, outside employees, Edmonton (Alta.)	1,580	1.7	2.0	35.0	1999-12-18
Government of Alberta, social workers, province-wide (Alta.)	2,250	2.3	2.4	24.0	1999-08-31
Government of Canada, administrative and support employees, Canada-wide	91,580	2.3	2.6	24.0	1999-06-20
Government of Canada, commerce officers, Canada-wide	1,900	2.2	2.5	24.0	1999-09-30
Government of Canada, librarians, Canada-wide	1,030	2.2	2.5	24.0	1999-06-30
Government of Canada, nurses, Canada-wide	1,590	2.2	2.5	24.0	1999-09-30
Government of Canada, purchasers, Canada-wide	1,810	2.2	2.5	24.0	1999-06-21
Government of Canada, scientific and other professionals, Canada-wide	2,540	2.3	2.5	24.0	1999-09-30
Government of Nova Scotia, service and maintenance employees, province-wide (N.S.)	1,400	1.9	1.9	24.0	1999-10-31
Government of Prince Edward Island, inside employees, province-wide (P.E.I.)	1,700	2.1	2.0	36.0	2001-03-31
Government of the Yukon Territory, all categories, Whitehorse (Y.T.)	2,340	1.0	0.0	36.0	1999-12-31
Regional Municipality of York, inside employees, Newmarket (Ont.)	750	2.2	2.0	36.0	2001-03-31
Agreements with COLA (6 agreements)	5,660	2.5	4.0	40.6	
Agreements without COLA (92 agreements)	232,350	1.7	1.7	27.9	
All agreements (98 agreements)	238,010	1.7	1.8	28.2	

Source: Workplace Information Directorate

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* Cost-of-Living Allowance (COLA) formulae are quantified using a combination of the latest relevant Consumer Price Index (CPI) data available and/or a projected CPI increase of 2.0 per cent. Consult the Technical Notes for information on the calculation of the yield from COLA increases, and definitions of the industry and sector divisions used in this publication.

Table A-1

**Effective Wage Adjustment in Base Rates, Number of Agreements and Employees Covered,
by Year and Quarter**

	1996	1997	1998	1998			
				1	2	3	4
All Industries							
Wage Adjustment (%)	0.9	1.6	1.6	2.0	1.7	1.4	1.7
Number of Agreements	375	380	389	67	124	100	98
Number of Employees (000's)	800.4	695.2	909.9	134.9	269.3	267.7	238.0
Private Sector							
Wage Adjustment (%)	1.8	2.1	1.8	2.4	1.6	1.8	1.9
Number of Agreements	164	160	174	23	68	49	34
Number of Employees (000's)	243.9	324.8	268.5	38.3	110.5	81.9	37.8
Public Sector							
Wage Adjustment (%)	0.5	1.2	1.6	1.8	1.7	1.2	1.7
Number of Agreements	211	220	215	44	56	51	64
Number of Employees (000's)	556.5	370.4	641.5	96.7	158.8	185.8	200.2
Federal Administration							
Wage Adjustment (%)	0.0	3.2	2.2	2.0	2.0	2.2	2.3
Number of Agreements	1	1	16	2	2	6	6
Number of Employees (000's)	0.6	8.7	124.2	3.8	3.9	16.0	100.5
Federal Crown Corporations							
Wage Adjustment (%)	0.4	1.4	2.2	-	2.4	1.5	-
Number of Agreements	5	8	8	-	7	1	-
Number of Employees (000's)	10.1	65.4	9.8	-	6.8	3.0	-
Provincial Administration							
Wage Adjustment (%)	0.2	1.2	1.7	1.8	2.2	0.9	1.7
Number of Agreements	37	26	29	8	9	5	7
Number of Employees (000's)	151.8	45.1	110.8	11.8	51.3	37.7	10.0
Local Administration							
Wage Adjustment (%)	1.1	1.3	1.5	1.1	1.1	2.2	2.1
Number of Agreements	31	34	32	11	8	9	4
Number of Employees (000's)	48.8	43.8	49.1	21.1	11.6	12.0	4.4
Education, Health and Welfare							
Wage Adjustment (%)	0.5	1.0	1.3	2.0	1.4	1.0	0.9
Number of Agreements	120	147	128	22	30	30	46
Number of Employees (000's)	309.7	203.0	345.5	59.1	85.1	117.0	84.3
Public Utilities							
Wage Adjustment (%)	0.9	1.6	1.4	0.7	-	-	2.0
Number of Agreements	17	4	2	1	-	-	1
Number of Employees (000's)	35.4	4.4	2.1	0.9	-	-	1.2

Table A-2

**Effective Wage Adjustment in Base Rates, by Effective Period,
Fourth Quarter 1998**

Sector/ Agreement Duration	Number of Agreements	Number of Employees	First 12 Months	Second 12 Months	Third 12 Months	Fourth 12 Months	Average Annual Adjustment	Average Agreement Duration
		(000's)	(%)	(%)	(%)	(%)	(%)	(Months)
All Industries								
17 Months or Less	5	5.9	1.3	-	-	-	1.3	12.0
18-29 Months	46	173.6	1.9	1.6	-	-	1.7	24.0
30-41 Months	28	41.1	1.6	1.4	1.9	0.0	1.6	36.0
42 Months or More	19	17.4	1.2	1.7	1.6	1.3	1.5	57.5
All Agreements	98	238.0	1.8	1.5	1.8	1.2	1.7	28.2
Private Sector								
17 Months or Less	2	3.0	0.0	-	-	-	0.0	12.0
18-29 Months	2	2.6	3.7	4.1	-	-	3.9	24.0
30-41 Months	16	19.6	2.3	1.5	2.1	-	2.0	36.0
42 Months or More	14	12.7	1.2	2.0	1.9	1.5	1.7	57.5
All Agreements	34	37.8	1.9	1.9	2.0	1.5	1.9	40.5
Public Sector								
17 Months or Less	3	3.0	2.6	-	-	-	2.6	12.0
18-29 Months	44	171.0	1.9	1.5	-	-	1.7	24.0
30-41 Months	12	21.6	1.0	1.3	1.8	0.0	1.4	35.9
42 Months or More	5	4.7	1.2	0.8	0.8	0.9	1.1	57.7
All Agreements	64	200.2	1.8	1.5	1.6	0.6	1.7	25.9
Federal Administration								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	6	100.5	2.6	2.0	-	-	2.3	24.0
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	6	100.5	2.6	2.0	-	-	2.3	24.0
Federal Crown Corporations								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-	-	-
Provincial Administration								
17 Months or Less	1	1.1	2.0	-	-	-	2.0	12.0
18-29 Months	2	3.7	2.2	2.1	-	-	2.1	24.0
30-41 Months	3	4.6	0.7	1.7	1.6	0.0	1.4	36.0
42 Months or More	1	0.6	2.0	1.3	1.3	1.8	1.4	53.0
All Agreements	7	10.0	1.5	1.9	1.6	0.4	1.7	30.0
Local Administration								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	1	1.1	3.0	3.0	-	-	3.0	24.0
30-41 Months	2	2.3	2.0	2.8	0.7	-	1.9	35.3
42 Months or More	1	0.9	0.0	0.0	0.0	2.2	1.6	72.0
All Agreements	4	4.4	1.8	2.3	0.5	2.2	2.1	40.0
Education, Health and Welfare								
17 Months or Less	2	1.9	3.0	-	-	-	3.0	12.0
18-29 Months	35	65.8	0.8	0.8	-	-	0.8	24.0
30-41 Months	6	13.5	0.8	0.8	2.1	-	1.2	36.0
42 Months or More	3	3.2	1.4	0.9	0.9	0.4	0.9	54.5
All Agreements	46	84.3	0.9	0.8	1.9	0.4	0.9	26.8
Public Utilities								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	1	1.2	2.0	2.0	2.0	-	2.0	36.0
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	1	1.2	2.0	2.0	2.0	-	2.0	36.0

Table B-1

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1996	1997	1998	1998			
				1	2	3	4
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Industries							
Agreements without COLA	0.6	1.6	1.6	1.9	1.6	1.3	1.7
Agreements with COLA	2.7	1.8	2.5	3.0	2.5	2.3	2.5
All Agreements	0.9	1.6	1.6	2.0	1.7	1.4	1.7
Primary Industry							
Agreements without COLA	1.7	1.9	2.8	-	2.8	-	-
Agreements with COLA	1.7	1.9	-	-	-	-	-
All Agreements	1.7	1.9	2.8	-	2.8	-	-
Manufacturing							
Agreements without COLA	2.8	2.1	1.0	1.8	0.6	0.7	1.4
Agreements with COLA	2.9	2.8	2.7	3.1	2.6	3.1	2.2
All Agreements	2.9	2.3	1.4	2.1	1.2	1.3	1.6
Construction							
Agreements without COLA	0.0	2.5	2.4	2.9	2.7	1.9	2.3
Agreements with COLA	1.2	-	2.7	-	-	2.6	3.0
All Agreements	0.1	2.5	2.4	2.9	2.7	2.0	2.4
Transportation, Communication and Other Utilities							
Agreements without COLA	0.7	1.7	1.9	1.3	2.1	1.7	1.9
Agreements with COLA	1.9	1.5	2.0	2.7	-	1.5	4.1
All Agreements	0.8	1.6	1.9	1.3	2.1	1.7	2.2
Trade; Finance, Insurance and Real Estate							
Agreements without COLA	0.7	1.7	1.5	1.6	1.1	1.9	1.5
Agreements with COLA	0.3	1.6	2.8	-	-	2.8	-
All Agreements	0.6	1.7	1.5	1.6	1.1	2.0	1.5
Community, Business and Personal Services							
Agreements without COLA	0.6	1.0	1.3	2.0	1.4	1.1	0.9
Agreements with COLA	0.8	1.5	1.0	-	1.4	0.0	-
All Agreements	0.6	1.0	1.3	2.0	1.4	1.1	0.9
Public Administration							
Agreements without COLA	0.2	1.4	1.8	1.4	1.7	1.4	2.2
Agreements with COLA	5.0	-	-	-	-	-	-
All Agreements	0.4	1.4	1.8	1.4	1.7	1.4	2.2

Table B-2

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1996		1997		1998	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)	
All Industries						
Agreements without COLA	328	698.5	343	582.7	354	877.4
Agreements with COLA	47	101.9	37	112.5	35	32.5
All Agreements	375	800.4	380	695.2	389	909.9
Primary Industry						
Agreements without COLA	8	7.0	3	2.3	1	0.7
Agreements with COLA	3	3.5	5	8.3	-	-
All Agreements	11	10.5	8	10.6	1	0.7
Manufacturing						
Agreements without COLA	49	34.3	41	49.7	50	62.4
Agreements with COLA	32	77.1	21	22.6	25	23.9
All Agreements	81	111.4	62	72.3	75	86.2
Construction						
Agreements without COLA	10	8.5	32	104.8	45	92.8
Agreements with COLA	2	1.1	-	-	3	2.2
All Agreements	12	9.6	32	104.8	48	95.0
Transportation, Communication and Other Utilities						
Agreements without COLA	62	131.3	27	68.2	40	81.8
Agreements with COLA	5	4.2	5	59.5	3	4.0
All Agreements	67	135.5	32	127.7	43	85.8
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	16	30.8	29	56.3	15	24.5
Agreements with COLA	1	9.4	4	18.7	1	0.8
All Agreements	17	40.2	33	75.0	16	25.3
Community, Business and Personal Services						
Agreements without COLA	137	338.4	164	228.6	142	368.2
Agreements with COLA	2	1.1	2	3.4	3	1.7
All Agreements	139	339.5	166	232.0	145	369.8
Public Administration						
Agreements without COLA	46	148.2	47	72.9	61	247.2
Agreements with COLA	2	5.5	-	-	-	-
All Agreements	48	153.7	47	72.9	61	247.2

Table B-2 (continued)

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1998							
	1		2		3		4	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Industries								
Agreements without COLA	62	131.0	109	255.3	91	258.8	92	232.4
Agreements with COLA	5	4.0	15	14.0	9	8.9	6	5.7
All Agreements	67	134.9	124	269.3	100	267.7	98	238.0
Primary Industry								
Agreements without COLA	-	-	1	0.7	-	-	-	-
Agreements with COLA	-	-	-	-	-	-	-	-
All Agreements	-	-	1	0.7	-	-	-	-
Manufacturing								
Agreements without COLA	7	8.7	16	30.7	13	9.4	14	13.5
Agreements with COLA	4	3.5	13	12.8	4	3.0	4	4.5
All Agreements	11	12.2	29	43.6	17	12.4	18	18.1
Construction								
Agreements without COLA	2	18.2	17	28.5	17	35.6	9	10.5
Agreements with COLA	-	-	-	-	2	1.6	1	0.6
All Agreements	2	18.2	17	28.5	19	37.2	10	11.1
Transportation, Communication and Other Utilities								
Agreements without COLA	9	9.2	19	41.6	9	27.5	3	3.5
Agreements with COLA	1	0.5	-	-	1	3.0	1	0.5
All Agreements	10	9.7	19	41.6	10	30.5	4	4.1
Trade; Finance, Insurance and Real Estate								
Agreements without COLA	2	1.6	8	9.4	2	7.4	3	6.1
Agreements with COLA	-	-	-	-	1	0.8	-	-
All Agreements	2	1.6	8	9.4	3	8.2	3	6.1
Community, Business and Personal Services								
Agreements without COLA	25	61.0	35	101.4	34	120.2	48	85.6
Agreements with COLA	-	-	2	1.2	1	0.5	-	-
All Agreements	25	61.0	37	102.6	35	120.7	48	85.6
Public Administration								
Agreements without COLA	17	32.3	13	43.1	16	58.7	15	113.1
Agreements with COLA	-	-	-	-	-	-	-	-
All Agreements	17	32.3	13	43.1	16	58.7	15	113.1

Table B-3

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, Fourth Quarter 1998**

	17 Months or Less			18-29 Months		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	5	5.9	1.3	46	173.6	1.7
Agreements with COLA	-	-	-	-	-	-
All Agreements	5	5.9	1.3	46	173.6	1.7
Primary Industry						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Manufacturing						
Agreements without COLA	2	3.0	0.0	1	1.1	0.7
Agreements with COLA	-	-	-	-	-	-
All Agreements	2	3.0	0.0	1	1.1	0.7
Construction						
Agreements without COLA	-	-	-	1	1.5	6.2
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	1	1.5	6.2
Transportation, Communication and Other Utilities						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	1	1.1	2.0	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	1.1	2.0	-	-	-
Community, Business and Personal Services						
Agreements without COLA	2	1.9	3.0	35	65.8	0.8
Agreements with COLA	-	-	-	-	-	-
All Agreements	2	1.9	3.0	35	65.8	0.8
Public Administration						
Agreements without COLA	-	-	-	9	105.2	2.3
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	9	105.2	2.3

Table B-3 (continued)

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, Fourth Quarter 1998**

	30-41 Months			42 Months or More		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	24	36.6	1.6	17	16.2	1.4
Agreements with COLA	4	4.5	2.2	2	1.1	3.5
All Agreements	28	41.1	1.6	19	17.4	1.5
Primary Industry						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Manufacturing						
Agreements without COLA	2	4.0	2.0	9	5.5	1.8
Agreements with COLA	4	4.5	2.2	-	-	-
All Agreements	6	8.6	2.1	9	5.5	1.8
Construction						
Agreements without COLA	8	9.0	1.7	-	-	-
Agreements with COLA	-	-	-	1	0.6	3.0
All Agreements	8	9.0	1.7	1	0.6	3.0
Transportation, Communication and Other Utilities						
Agreements without COLA	2	2.1	2.5	1	1.4	0.9
Agreements with COLA	-	-	-	1	0.5	4.1
All Agreements	2	2.1	2.5	2	1.9	1.7
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	1	1.0	2.0	1	4.0	1.3
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	1.0	2.0	1	4.0	1.3
Community, Business and Personal Services						
Agreements without COLA	6	13.5	1.2	5	4.5	1.2
Agreements with COLA	-	-	-	-	-	-
All Agreements	6	13.5	1.2	5	4.5	1.2
Public Administration						
Agreements without COLA	5	7.0	1.5	1	0.9	1.6
Agreements with COLA	-	-	-	-	-	-
All Agreements	5	7.0	1.5	1	0.9	1.6

Table B-4

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, Fourth Quarter 1998**

	Number of Agreements	Number of Employees	Average Annual Adjustment	First 12 Months	Average Agreement Duration
		(000's)	(%)	(%)	(Months)
All Industries					
Agreements without COLA	92	232.4	1.7	1.7	27.9
Agreements with COLA	6	5.7	2.5	4.0	40.6
All Agreements	98	238.0	1.7	1.8	28.2
Primary Industry					
Agreements without COLA	-	-	-	-	-
Agreements with COLA	-	-	-	-	-
All Agreements	-	-	-	-	-
Manufacturing					
Agreements without COLA	14	13.5	1.4	0.6	44.3
Agreements with COLA	4	4.5	2.2	3.7	36.0
All Agreements	18	18.1	1.6	1.3	42.2
Construction					
Agreements without COLA	9	10.5	2.3	2.4	34.3
Agreements with COLA	1	0.6	3.0	3.0	48.0
All Agreements	10	11.1	2.4	2.4	35.0
Transportation, Communication and Other Utilities					
Agreements without COLA	3	3.5	1.9	2.2	40.7
Agreements with COLA	1	0.5	4.1	8.0	72.0
All Agreements	4	4.1	2.2	3.0	44.7
Trade; Finance, Insurance and Real Estate					
Agreements without COLA	3	6.1	1.5	1.7	35.7
Agreements with COLA	-	-	-	-	-
All Agreements	3	6.1	1.5	1.7	35.7
Community, Business and Personal Services					
Agreements without COLA	48	85.6	0.9	0.9	27.2
Agreements with COLA	-	-	-	-	-
All Agreements	48	85.6	0.9	0.9	27.2
Public Administration					
Agreements without COLA	15	113.1	2.2	2.5	25.1
Agreements with COLA	-	-	-	-	-
All Agreements	15	113.1	2.2	2.5	25.1

Table C-1

**Effective Wage Adjustment in Base Rates, by Region/Jurisdiction,
by Year and Quarter**

	1996	1997	1998	1998			
				1	2	3	4
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Sectors							
CANADA	0.9	1.6	1.6	2.0	1.7	1.4	1.7
<i>Atlantic</i>	1.7	1.3	1.9	2.2	1.4	2.0	1.8
Newfoundland	2.0	1.7	1.3	1.5	1.1	-	1.8
Prince Edward Island	1.7	-	2.1	-	2.1	-	2.1
Nova Scotia	1.7	2.0	2.5	2.8	1.9	1.9	1.8
New Brunswick	1.7	1.0	1.5	1.4	1.3	2.1	1.7
Quebec	1.7	2.3	0.9	1.0	0.4	2.4	1.4
Ontario	1.0	1.1	1.6	1.6	1.8	2.0	0.8
<i>Prairies</i>	0.6	2.0	2.5	2.4	2.7	1.8	2.6
Manitoba	0.2	1.1	1.5	2.5	1.3	0.3	1.5
Saskatchewan	1.1	0.9	1.8	1.6	2.0	1.4	2.0
Alberta	1.0	2.4	3.0	2.8	3.1	2.5	3.2
British Columbia	0.6	1.3	0.7	1.0	0.8	0.7	0.9
More than One Province	2.3	2.8	1.7	-	-	1.7	-
Federal	0.5	1.8	2.1	1.7	2.0	1.8	2.2
Public Sector							
CANADA	0.5	1.2	1.6	1.8	1.7	1.2	1.7
<i>Atlantic</i>	1.4	1.4	1.9	2.2	1.5	1.8	1.8
Newfoundland	0.6	2.1	1.3	1.4	1.1	-	-
Prince Edward Island	1.7	-	2.1	-	2.1	-	2.1
Nova Scotia	-	1.8	2.6	2.9	1.9	1.8	2.0
New Brunswick	1.5	1.3	1.5	1.4	1.5	1.8	1.5
Quebec	1.4	1.3	0.8	1.0	0.7	2.1	0.4
Ontario	0.3	0.6	1.3	1.4	1.5	1.9	0.7
<i>Prairies</i>	0.4	1.7	2.2	1.7	2.3	2.8	2.6
Manitoba	0.0	1.0	1.4	1.2	1.2	-	1.9
Saskatchewan	0.9	0.9	1.8	1.6	2.0	1.9	2.0
Alberta	0.7	2.2	2.5	1.8	2.7	3.2	2.8
British Columbia	0.5	0.9	0.7	0.6	0.4	0.7	0.7
More than One Province	-	-	-	-	-	-	-
Federal	0.1	1.6	2.2	2.0	2.0	2.1	2.2
Private Sector							
CANADA	1.8	2.1	1.8	2.4	1.6	1.8	1.9
<i>Atlantic</i>	2.1	1.2	1.7	1.8	0.7	2.2	1.9
Newfoundland	2.6	1.7	1.8	1.8	-	-	1.8
Prince Edward Island	-	-	-	-	-	-	-
Nova Scotia	1.7	2.1	1.8	1.4	1.9	2.0	1.6
New Brunswick	2.0	0.4	1.5	-	0.0	2.6	3.0
Quebec	2.2	2.5	0.9	1.5	0.4	2.5	1.5
Ontario	2.3	1.9	2.1	1.6	2.3	2.0	1.9
<i>Prairies</i>	2.1	2.5	3.3	5.9	4.7	-0.6	2.5
Manitoba	2.1	1.8	1.6	4.9	1.9	0.3	1.3
Saskatchewan	2.0	1.2	1.1	-	2.8	0.0	-
Alberta	2.2	2.6	4.9	6.2	5.4	-6.1	4.4
British Columbia	0.9	1.6	1.3	1.6	1.1	1.9	1.4
More than One Province	2.3	2.8	1.7	-	-	1.7	-
Federal	0.7	2.0	1.8	1.5	2.0	1.6	1.8

Table C-2

**Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter**

	1996		1997		1998	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)	
All Sectors						
CANADA	375	800.4	380	695.2	389	909.9
<i>Atlantic</i>	32	34.2	18	20.9	42	93.3
Newfoundland	9	8.0	5	6.1	8	25.9
Prince Edward Island	6	6.9	-	-	3	3.9
Nova Scotia	8	5.6	2	1.8	17	38.4
New Brunswick	9	13.8	11	13.0	14	25.0
Quebec	57	81.1	39	92.3	51	81.1
Ontario	145	300.6	176	239.5	139	267.3
<i>Prairies</i>	71	113.1	80	146.0	79	129.0
Manitoba	31	53.6	21	27.9	18	18.9
Saskatchewan	17	34.9	7	16.9	12	32.2
Alberta	23	24.6	52	101.1	49	78.0
British Columbia	30	188.4	34	69.3	30	148.6
More than One Province	1	0.6	7	7.7	2	6.0
Federal	39	82.2	26	119.5	46	184.6
Public Sector						
CANADA	211	556.5	220	370.4	215	641.5
<i>Atlantic</i>	11	18.0	8	10.9	28	81.0
Newfoundland	3	2.4	2	1.2	6	22.9
Prince Edward Island	6	6.9	-	-	3	3.9
Nova Scotia	-	-	1	0.6	10	33.0
New Brunswick	2	8.8	5	9.0	9	21.1
Quebec	20	46.0	16	19.8	14	23.6
Ontario	90	197.0	112	138.4	76	167.0
<i>Prairies</i>	55	98.7	55	100.6	59	102.7
Manitoba	25	48.5	18	24.0	9	8.3
Saskatchewan	13	30.4	4	14.5	10	30.4
Alberta	17	19.8	33	62.1	40	63.9
British Columbia	23	168.6	18	25.4	14	132.6
More than One Province	-	-	-	-	-	-
Federal	12	28.2	11	75.4	24	134.6
Private Sector						
CANADA	164	243.9	160	324.8	174	268.5
<i>Atlantic</i>	21	16.2	10	10.1	14	12.3
Newfoundland	6	5.6	3	4.9	2	3.0
Prince Edward Island	-	-	-	-	-	-
Nova Scotia	8	5.6	1	1.2	7	5.4
New Brunswick	7	5.0	6	4.0	5	3.9
Quebec	37	35.1	23	72.6	37	57.5
Ontario	55	103.7	64	101.0	63	100.3
<i>Prairies</i>	16	14.4	25	45.4	20	26.4
Manitoba	6	5.0	3	4.0	9	10.5
Saskatchewan	4	4.5	3	2.4	2	1.8
Alberta	6	4.8	19	39.0	9	14.1
British Columbia	7	19.8	16	43.9	16	15.9
More than One Province	1	0.6	7	7.7	2	6.0
Federal	27	54.1	15	44.1	22	50.0

Table C-2 (continued)

Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter

	1998							
	1		2		3		4	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Sectors								
CANADA	67	134.9	124	269.3	100	267.7	98	238.0
<i>Atlantic</i>	12	43.9	12	30.8	8	7.9	10	10.7
Newfoundland	5	14.9	2	10.5	-	-	1	0.5
Prince Edward Island	-	-	1	1.4	-	-	2	2.5
Nova Scotia	5	22.9	4	7.9	4	3.8	4	3.8
New Brunswick	2	6.1	5	11.0	4	4.1	3	3.9
Quebec	8	13.2	22	46.0	8	6.1	13	15.9
Ontario	13	24.2	42	105.0	39	65.5	45	72.5
<i>Prairies</i>	20	40.5	27	48.9	17	17.1	15	22.6
Manitoba	4	4.6	5	4.1	5	3.5	4	6.7
Saskatchewan	2	12.9	5	13.4	4	4.7	1	1.2
Alberta	14	22.9	17	31.5	8	8.9	10	14.7
British Columbia	5	3.2	8	14.1	12	120.4	5	10.9
More than One Province	-	-	-	-	2	6.0	-	-
Federal	9	10.0	13	24.6	14	44.7	10	105.4
Public Sector								
CANADA	44	96.7	56	158.8	51	185.8	64	200.2
<i>Atlantic</i>	10	40.8	9	28.2	3	4.0	6	8.0
Newfoundland	4	12.4	2	10.5	-	-	-	-
Prince Edward Island	-	-	1	1.4	-	-	2	2.5
Nova Scotia	4	22.3	3	7.0	1	1.5	2	2.2
New Brunswick	2	6.1	3	9.3	2	2.5	2	3.3
Quebec	6	12.1	5	8.6	1	0.7	2	2.2
Ontario	5	4.6	11	65.5	23	32.8	37	64.1
<i>Prairies</i>	18	33.7	21	42.2	10	11.8	10	15.0
Manitoba	3	3.0	4	3.2	-	-	2	2.1
Saskatchewan	2	12.9	4	12.7	3	3.7	1	1.2
Alberta	13	17.7	13	26.3	7	8.2	7	11.7
British Columbia	3	1.8	2	5.2	7	117.4	2	8.2
More than One Province	-	-	-	-	-	-	-	-
Federal	2	3.8	8	9.0	7	19.0	7	102.8
Private Sector								
CANADA	23	38.3	68	110.5	49	81.9	34	37.8
<i>Atlantic</i>	2	3.1	3	2.6	5	3.9	4	2.7
Newfoundland	1	2.5	-	-	-	-	1	0.5
Prince Edward Island	-	-	-	-	-	-	-	-
Nova Scotia	1	0.6	1	0.9	3	2.3	2	1.6
New Brunswick	-	-	2	1.7	2	1.6	1	0.6
Quebec	2	1.1	17	37.3	7	5.4	11	13.7
Ontario	8	19.6	31	39.5	16	32.7	8	8.4
<i>Prairies</i>	2	6.8	6	6.7	7	5.2	5	7.6
Manitoba	1	1.6	1	0.9	5	3.5	2	4.6
Saskatchewan	-	-	1	0.7	1	1.1	-	-
Alberta	1	5.2	4	5.2	1	0.7	3	3.0
British Columbia	2	1.3	6	8.8	5	3.0	3	2.8
More than One Province	-	-	-	-	2	6.0	-	-
Federal	7	6.3	5	15.5	7	25.6	3	2.6

Table D

Major Wage Settlements, by Public and Private Sectors,
by Year and Quarter

Year	Public Sector				Private Sector				All Sectors			
	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.
	(Months)	(Months)	(000's)	(%)	(Months)	(Months)	(000's)	(%)	(Months)	(Months)	(000's)	(%)
1978	369	17.2	885.3	7.1	308	22.6	429.8	8.7	677	18.9	1,315.2	7.6
1979	317	24.3	756.0	9.5	252	27.2	387.0	11.1	569	25.3	1,142.9	10.0
1980	325	26.0	919.4	10.9	233	27.5	298.8	11.7	558	26.3	1,218.2	11.1
1981	290	18.9	577.6	13.1	210	27.3	323.4	12.6	500	21.9	901.0	13.0
1982	319	14.6	865.1	10.4	189	25.2	282.2	9.5	508	17.2	1,147.3	10.2
1983	458	19.6	1,241.6	4.6	200	25.0	302.8	5.5	658	20.6	1,544.3	4.8
1984	277	17.0	637.4	3.9	282	26.1	518.8	3.2	559	21.1	1,156.2	3.6
1985	316	21.7	566.8	3.8	200	30.1	271.8	3.3	516	24.5	838.6	3.7
1986	322	25.4	711.2	3.6	231	26.0	410.2	3.0	553	25.6	1,121.5	3.4
1987	270	29.4	824.3	4.1	208	31.4	287.0	3.8	478	29.9	1,111.3	4.0
1988	301	24.0	698.6	4.0	241	27.2	484.1	5.0	542	25.3	1,182.7	4.4
1989	295	30.0	737.6	5.2	158	28.5	264.2	5.2	453	29.6	1,001.8	5.2
1990	283	27.4	677.8	5.6	224	29.7	468.5	5.7	507	28.4	1,146.4	5.6
1991	365	16.0	1,121.7	3.4	182	29.2	224.0	4.4	547	18.2	1,345.6	3.6
1992	302	21.7	977.3	2.0	194	32.2	329.5	2.5	496	24.3	1,306.8	2.1
1993	347	23.4	1,012.0	0.6	171	25.2	400.5	0.8	518	23.9	1,412.5	0.7
1994	299	26.5	719.8	0.0	135	34.5	222.8	1.2	434	28.4	942.6	0.3
1995	216	31.5	630.9	0.6	186	35.8	277.9	1.4	402	32.8	908.8	0.9
1996	211	31.7	556.5	0.5	164	35.0	243.9	1.8	375	32.7	800.4	0.9
1997	220	30.2	370.4	1.2	160	34.0	324.8	2.1	380	32.0	695.2	1.6
1998	215	31.0	641.5	1.6	174	34.4	268.5	1.8	389	32.0	909.9	1.6
Quarter												
1995 I	41	28.2	138.1	0.6	35	34.3	45.3	1.9	76	29.7	183.4	0.9
II	58	30.7	96.0	0.8	65	34.9	92.3	1.3	123	32.8	188.4	1.0
III	34	28.8	87.5	0.4	59	38.2	113.4	1.2	93	34.2	201.0	0.9
IV	83	33.9	309.2	0.7	27	31.3	26.8	1.6	110	33.7	336.0	0.7
1996 I	51	43.6	120.5	0.2	32	33.4	46.3	1.3	83	40.8	166.8	0.5
II	74	27.7	279.9	0.5	48	37.5	46.6	1.6	122	29.1	326.5	0.7
III	48	28.7	81.4	0.5	49	29.0	64.9	1.8	97	28.8	146.3	1.1
IV	38	30.8	74.8	0.8	35	38.9	86.0	2.1	73	35.1	160.8	1.5
1997 I	52	29.6	88.2	1.0	30	36.1	40.4	2.2	82	31.6	128.6	1.3
II	72	26.1	98.8	0.8	60	26.3	147.1	2.5	132	26.2	246.0	1.8
III	34	31.0	44.6	0.9	41	37.4	91.2	1.5	75	35.3	135.8	1.3
IV	62	33.1	138.8	1.7	29	50.4	46.0	1.8	91	37.4	184.8	1.7
1998 I	44	36.6	96.7	1.8	23	33.6	38.3	2.4	67	35.7	134.9	2.0
II	56	31.7	158.8	1.7	68	27.8	110.5	1.6	124	30.1	269.3	1.7
III	51	33.2	185.8	1.2	49	41.0	81.9	1.8	100	35.6	267.7	1.4
IV	64	25.9	200.2	1.7	34	40.5	37.8	1.9	98	28.2	238.0	1.7

Agmts. - Number of Agreements
 Avg. Adj. - Average Annual Adjustment
 Dur. - Average Agreement Duration
 Empls. - Number of Employees

TECHNICAL NOTES

The information in this report is produced from collective agreement settlements in Canada which cover 500 or more employees in all industries. A few settlements are excluded where the basis of payment is on a piece/mileage rate basis.

The construction industry is excluded prior to 1983.

The Base Rate

The base rate is the lowest paid classification used for qualified workers in the bargaining unit. In most instances, the base rate is the rate of pay for an unskilled or semi-skilled classification of workers. However, this is not the case in contracts covering only skilled workers and professional employees.

As only the base rate in a contract is used, the resulting data on percentage change do not necessarily reflect the average wage change for all workers in the bargaining unit. For example, where an across-the-board increase is negotiated for all classifications in cents per hour (or other money terms), measurement on the base rate produces higher results than measurement on any higher rate, including the average rate. Where varying percentage or money increases are negotiated for different classifications, measurement on the base rate may produce results that are higher or lower than measurement on the average rate. Where an across-the-board increase is negotiated for all classifications in percentage terms, measurement on the base rate produces results identical to measurement on any other rate, including the average rate. It should be noted that information on the average rate for all employees in a bargaining unit is not available.

Effective Wage Increase

The effective wage increase is the increase in rates of pay including estimated cost-of-living allowance (COLA) payments. Estimates of the yield of COLA clauses are obtained by quantifying the characteristics of these clauses in each agreement and applying a combination of actual Consumer Price Index (CPI) increases available to date plus a specified projected inflation rate for the remainder of the contract duration.

In succeeding quarters, these estimates are revised using actual CPI values as they become available.

In the current report, an inflation projection of two per cent has been used when the actual rate is unknown. This figure is based on a rounded average of inflation forecasts and is intended for illustrative purposes only and does not constitute an official forecast by Human Resources Development Canada. The use of different inflation rate scenarios could result in varying settlement increases. The inflation projection used will be revised periodically to reflect prevailing economic conditions.

By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

Public and Private Sectors

The principal unit of observation is the collective bargaining unit; however, the designation for inclusion in the public sector is by reference to characteristics of the employer with whom a bargaining unit negotiates. Reference to the employer characteristics makes the directives consistent with Statistics Canada's use of "institutional units" or "entities".

While the criteria relate to the classification of the public sector only, *the private sector is defined by exclusion.*

Public sector bargaining units negotiate wages or other working conditions with an employer who is part of, or an agent of, a government or a government business enterprise. The distinction between the two is whether the activity engaged in is "non-commercial" (Government) or "commercial" (Government Business Enterprise).

Government (Non-Commercial)

The government component comprises all non-commercial entities controlled by governments and mainly financed out of general taxation or other public

funds. These entities provide goods and/or services free or at non-market prices (not having a view to profit).

Sub-sectors of the government component are identified below:

(1) Federal Government

Collective bargaining in the Federal Government component is conducted under the *Public Service Staff Relations Act* (Parts 1 and 2), and the *Parliamentary Employment and Staff Relations Act*.

(2) Provincial and Territorial Governments

- (a) provincial and territorial government administration;
- (b) health, education and social services agencies or institutions
 - (i) public hospitals,
 - (ii) provincial residential care facilities,
 - (iii) universities,
 - (iv) colleges, vocational and trade institutions,
 - (v) social services business enterprise,
 - (vi) provincial elementary and secondary schools.

(3) Local Government Administration

- (a) local government organizations such as: municipalities, boards, commissions;
- (b) school boards;
- (c) social services: establishments at the local level primarily engaged in providing basic domiciliary care only, such as homes for the aged, blind or senile, boarding houses for the aged, day nurseries, shelters, etc.

Government Business Enterprise (Commercial)

The commercial component of the public sector is divided into three broad sub-groupings, based on

degree of governmental control, as follows:

(1) Direct Control

A commercial enterprise is directly controlled by a government if one of the following conditions is met:

- (a) a government holds more than 50 per cent of its voting equity, directly;
- (b) a government has irrevocable options or the right to acquire shares, or convertible debt or equity, exercisable at the discretion of that government.

(2) Effective Control

A commercial enterprise is effectively controlled by a government if one of the following conditions is met:

- (a) the government holds a significant voting ownership in a public enterprise, where "significant" is understood as:
 - (i) the holding is the largest block of voting equity; and
 - (ii) the holding exceeds 33.3 per cent of the voting equity; and
 - (iii) the block is larger than the combined percentage of the next two largest blocks;
- (b) the commercial enterprise declares that it is effectively controlled by a government;
- (c) there exists a method or variety of methods (e.g. significant voting ownership of the enterprise, technological agreements, supply controls or contracts, management contracts, interlocking directorships, etc.)

(3) Indirect Control

A business enterprise is indirectly controlled by a government if that government directly or effectively controls a government business enterprise, which in turn directly or effectively controls that enterprise.

SECTION 2

EXPIRIES AND REOPENERS* OF MAJOR COLLECTIVE AGREEMENTS IN APRIL, MAY AND JUNE 1999

The full 1999 Calendar of Major Collective Agreement Expiries and Reopeners is now available on the Workplace Information Directorate Web Site at: <http://labour-travail.hrdc-drhc.gc.ca/doc/wid-dimt/eng/>

* *Collective agreement may be reopened to negotiate wage provisions¹ and/or other provisions²*

Company and Location	Union and Occupation	Number of Employees	Industry
APRIL 1999			
QUEBEC			
Abitibi-Price Inc., Alma	Fédération des travailleurs et des travailleuses du papier et de la forêt (CNTU) (production employees)	560	Manufacturing
Domtar Inc. (Fine Papers Division), Windsor	Fédération des travailleurs et des travailleuses du papier et de la forêt (CNTU) (production employees)	700	Manufacturing
Rolls-Royce (Canada Limited), Lachine	Intl. Assn. of Machinists and Aerospace Workers (AFL-CIO/CLC) (production employees)	650	Manufacturing
ONTARIO			
Case Canada Corporation, Hamilton	United Steelworkers of America (AFL-CIO/CLC) (production employees)	670	Manufacturing
DuPont Canada Inc., Maitland	Communications, Energy and Paperworkers Union of Canada (CLC) (production, powerhouse employees, laboratory technicians)	500	Manufacturing
GO Transit, Metropolitan Toronto and Region	Amalgamated Transit Union (AFL-CIO/CLC) (bus drivers, service and maintenance employees)	680	Transportation
Kimberly-Clark Forest Products Inc., Terrace Bay	United Paperworkers Intl. Union (AFL-CIO/CLC) and Intl. Brotherhood of Electrical Workers (AFL-CIO/CLC) (mill employees and electricians)	625	Manufacturing

Primary Ind. - Primary Industries
Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
National Steel Car Limited, Hamilton	United Steelworkers of America (AFL-CIO/CLC) (plant and maintenance employees)	1,945	Manufacturing
University of Guelph, Guelph	University of Guelph Staff Assn. (Ind.) (office, clerical and technical employees)	850	Services
Westinghouse Canada Inc., Hamilton	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	500	Manufacturing
York University, North York	York University Faculty Assn. (Ind.) (professors, librarians)	1,060	Services
MANITOBA			
Manitoba Health Organizations Inc., province-wide	Cdn. Union of Public Employees (CLC) (non-medical, office and clerical employees)	8,000	Services
ALBERTA			
Alberta Construction Labour Relations Association, province-wide	Intl. Assn. of Bridge, Structural, Ornamental and Reinforcing Iron Workers (AFL-CIO) (iron workers)	800	Construction
Alberta Construction Labour Relations Association, province-wide	Laborers' Intl. Union of North America (AFL-CIO/CLC) (labourers)	4,000	Construction
Alberta Construction Labour Relations Association, province-wide	Sheet Metal Workers Intl. Assn. (AFL-CIO/CLC) (sheet metal workers)	530	Construction
Alberta Construction Labour Relations Association, province-wide	United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC) (carpenters)	4,000	Construction
Alberta Painting Contractors Association, province-wide, Alta. and	Intl. Brotherhood of Painters and Allied Trades (AFL-CIO/CLC) (painters)	500	Construction

Primary Ind. - Primary Industries
 Public Admin. - Public Administration
 Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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ALBERTA (continued)

Masonry Contractors Association of Alberta, province-wide	Intl. Union of Bricklayers and Allied Craftsmen (AFL-CIO) (bricklayers)	500	Construction
Suncor Energy Inc., Fort McMurray	Communications, Energy and Paperworkers Union of Canada (CLC) (mine employees)	900	Primary Ind.

BRITISH COLUMBIA

British Columbia Buildings Corporation, province-wide	British Columbia Govt. and Service Employees' Union (CLC) (building maintenance, office, clerical and technical employees)	610	Public Admin.
Fish Processors' Bargaining Association of British Columbia, B.C. Coast	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (fish processing employees and fishermen)	4,400	Manufacturing

MORE THAN ONE PROVINCE

Canadian Broadcasting Corporation, province-wide, Que. and Moncton, N.B.	Syndicat des techniciens(nes) et artisans(nes) du réseau français de Radio-Canada (Ind.) technical employees and general tradesmen)	1,160	Communications
Finning Ltd., province-wide, Alta. territory-wide, N.W.T.	Intl. Assn. of Machinists and Aerospace Workers (AFL-CIO/CLC) (truck drivers, general tradesmen and warehouse employees)	630	Trade
Government of Canada, Canada-wide	Cdn. Union of Professional and Technical Employees (Ind.) (translators)	790	Public Admin.
Government of Canada, Canada-wide	Professional Institute of the Public Service of Canada (Ind.) (computer operators)	8,700	Public Admin.
Imperial Tobacco (Division of Imasco Limited), Joliette and Montréal, Que. and Guelph, Ont.	Bakery, Confectionery and Tobacco Workers Intl. Union (AFL-CIO/CLC) (plant, maintenance, office and clerical employees)	1,260	Manufacturing

Primary Ind. - Primary Industries
Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
MAY 1999			
QUEBEC			
Université du Québec à Montréal, Montréal	Fédération des professionnels et professionnelles salarié(e)s et des cadres du Québec (CNTU) (professors)	1,000	Services
Université du Québec à Trois-Rivières, Trois-Rivières	Cdn. Union of Public Employees (CLC) (instructors, tutors and lecturers)	840	Services
ONTARIO			
Bombardier Inc. Mass Transit Division, Thunder Bay	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (production employees)	550	Manufacturing
* 2 Carpenters' Employer Bargaining Agency, province-wide	United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC) (carpenters, carpet layers, drywall, etc. employees)	12,000	Construction
* 1 Cement Masons Employer Bargaining Agency, province-wide	Operative Plasterers and Cement Masons Intl. Assn. of the U.S. and Canada (AFL-CIO/CLC) (cement finishers)	600	Construction
Dana Canada Inc., Thorold	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	810	Manufacturing
* 1 Interior Systems Contractors Association of Ontario, province-wide	United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC) (drywall employees)	800	Construction
J.M. Schneider Inc., Kitchener	Schneider Employees' Assn. (Ind.) (production employees)	1,560	Manufacturing
Johnson Controls Inc., Automotive Systems Group, Tillsonburg	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (production employees)	520	Manufacturing

Primary Ind. - Primary Industries
 Public Admin. - Public Administration
 Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Northern Sawmills Inc., Thunder Bay	Communications, Energy and Paperworkers Union of Canada (CLC) (plant and maintenance employees)	500	Manufacturing
Ottawa-Carleton Regional Transit Commission, Ottawa	Amalgamated Transit Union (AFL-CIO/CLC) (bus drivers, mechanics, service and maintenance employees)	1,700	Transportation
*1 Ottawa Construction Association, Ottawa	United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC) (carpenters)	500	Construction
*1 Plasterers Employer Bargaining Agency, province-wide	Operative Plasterers and Cement Masons Intl. Assn. of the U.S. and Canada (AFL-CIO) (plasterers)	600	Construction
Westin Harbour Castle, Toronto	Textile Processors, Service Trades, Health Care, Professional and Technical Intl. Union (Ind.) (hotel and restaurant employees)	600	Services
BRITISH COLUMBIA			
Cominco Ltd., Trail	United Steelworkers of America (AFL-CIO/CLC) (plant, maintenance, office, clerical and technical employees)	1,780	Manufacturing
Hospitality Industrial Relations, province-wide	Hotel Employees and Restaurant Employees Intl. Union (AFL-CIO/CLC) (hotel and restaurant employees)	4,600	Services
Quintette Operating Corporation, Tumbler Ridge	United Steelworkers of America (AFL-CIO/CLC) (mine employees)	850	Primary Ind.
MORE THAN ONE PROVINCE			
Government of Canada, Canada-wide	Professional Institute of the Public Service of Canada (Ind.) (auditors)	5,280	Public Admin.

Primary Ind.	- Primary Industries
Public Admin.	- Public Administration
Services	- Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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JUNE 1999

PRINCE EDWARD ISLAND

Government of Prince Edward Island, province-wide	Cdn. Union of Public Employees (CLC) (office, clerical, building maintenance and bus drivers)	625	Services
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NOVA SCOTIA

Construction Management Bureau Limited (Industrial Projects), Cape Breton Island	Intl. Union of Bricklayers and Allied Craftsmen (AFL-CIO), Intl. Assn. of Heat and Frost Insulators and Asbestos Workers (AFL-CIO), Intl. Assn. of Bridge, Structural, Ornamental and Reinforcing Iron Workers (AFL-CIO), United Brotherhood of Carpenters and Intl. Brotherhood of Electrical Workers (AFL-CIO/CLC), Intl. Union of Operating Engineers (AFL-CIO), Laborers' Intl. Union of North America (AFL-CIO/CLC), Sheet Metal Workers Intl. Assn. (AFL-CIO/CLC), Intl. Brotherhood of Painters and Allied Trades (AFL-CIO/CLC), United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the U.S. and Canada (AFL-CIO/CLC) and Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (construction trades - all)	500	Construction
Construction Management Bureau Limited (Commercial Projects), Cape Breton Island	United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC), Intl. Union of Bricklayers and Allied Craftsmen (AFL-CIO), Intl. Assn. of Bridge, Structural, Ornamental and Reinforcing Iron Workers (AFL-CIO), Intl. Brotherhood of Electrical Workers (AFL-CIO/CLC), Intl. Union of Operating Engineers (AFL-CIO), Laborers' Intl. Union of North America (AFL-CIO/CLC), Sheet Metal Workers Intl. Assn. (AFL-CIO/CLC), Intl. Brotherhood of Painters and Allied Trades (AFL-CIO/CLC), United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the U.S. and Canada (AFL-CIO/CLC) (construction trades - all)	500	Construction

Primary Ind. - Primary Industries
 Public Admin. - Public Administration
 Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
NEW BRUNSWICK			
Government of New Brunswick, province-wide	Cdn. Union of Public Employees (CLC) (non-medical employees)	6,000	Services
Mechanical Contractors Association of N.B. Inc., province-wide	United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the U.S. and Canada (AFL-CIO/CLC) (plumbers and pipefitters)	1,200	Construction
Moncton-NorthEast Construction Association Inc., Northumberland, Kent, Albert, Gloucester and Westmorland Counties	United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC) (carpenters)	500	Construction
QUEBEC			
Canadian Pacific Hotels Corporation Queen Elizabeth Hotel, Montréal	Fédération du commerce inc. (CNTU) (hotel and restaurant employees)	530	Services
* Laval University, Québec	Fédération nationale des enseignantes et enseignants du Québec (CNTU) (instructors, tutors and lecturers)	1,000	Services
ONTARIO			
Consumers Glass (Member of the Consumers Packaging Group), Toronto	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	500	Manufacturing
Med-Chem Laboratories Ltd., Toronto, Lindsay, Markham and Stouffville	Brewery, General and Professional Workers Union (CLC) (health service - non-professionals)	700	Services
Nursing Home Employer Central Group, province-wide	Ont. Nurses' Assn. (Ind.) (nurses)	1,000	Services
Regional Municipality of Durham Police Services Board, Oshawa	Durham Regional Police Assn. (Ind.) (police officers and police cadets)	720	Public Admin.

Primary Ind. - Primary Industries
 Public Admin. - Public Administration
 Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Regional Municipality of Ottawa-Carleton, Ottawa and area	Cdn. Union of Public Employees (CLC) (inside and outside employees)	3,100	Public Admin.
University of Toronto, Toronto	Cdn. Union of Public Employees (CLC) (full-time technicians, service and maintenance employees)	550	Services
University of Toronto, Toronto	Cdn. Union of Public Employees (CLC) (part-time technicians, service and maintenance employees)	600	Services
Waterloo Regional Police Services Board, Waterloo	Waterloo Regional Police Assn. (Ind) (police officers)	510	Public Admin.
SASKATCHEWAN			
Board of Education of St. Paul's Roman Catholic School Div. No. 20, Saskatoon	Saskatchewan Teachers' Federation (Ind.) (elementary and secondary teachers)	790	Services
Regina Roman Catholic Separate School Division No. 81, Regina	Saskatchewan Teachers' Federation (Ind.) (elementary and secondary teachers)	620	Services
Saskatoon Board of Education School Division No. 13, Saskatoon	Saskatchewan Teachers' Federation (Ind.) (elementary and secondary teachers)	1,400	Services
ALBERTA			
Northern Alberta Institute of Technology, Edmonton	NAIT Academic Staff Assn. (Ind.) (instructors, tutors, lecturers and librarians)	720	Services
Southern Alberta Institute of Technology, Calgary	SAIT Academic Faculty Assn. (Ind.) (instructors, tutors, lecturers, librarians and educational services)	720	Services
The Board of Governors of Mount Royal College, Calgary	Mount Royal Faculty Assn. (Ind.) (instructors, tutors and lecturers)	530	Services

Primary Ind. - Primary Industries
 Public Admin. - Public Administration
 Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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BRITISH COLUMBIA

Insurance Corporation of British Columbia, province-wide	Office and Professional Employees Intl. Union (AFL-CIO/CLC) (office, clerical, service and maintenance employees, scientific and other professionals)	4,500	Services
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MORE THAN ONE PROVINCE

Air Canada, system-wide	Intl. Assn. of Machinists and Aerospace Workers (AFL-CIO/CLC) (operational, technical and cafeteria employees)	7,630	Transportation
Government of Canada, Canada and abroad	Professional Assn. of Foreign Service Officers (Ind.) (foreign service officers)	1,030	Public Admin.
Government of Canada, Canada-wide	Professional Institute of the Public Service of Canada (Ind.) (purchasers)	1,810	Public Admin.
Government of Canada, Canada-wide	Public Service Alliance of Canada (CLC) (administrative and support employees)	91,580	Public Admin.
Government of Canada, Canada-wide	Public Service Alliance of Canada (CLC) (educational services)	1,030	Public Admin.
Government of Canada, Canada-wide	Social Science Employees Assn. (Ind.) (economists)	2,910	Public Admin.
Government of Canada, Canada-wide	Social Science Employees Assn. (Ind.) (support employees)	2,590	Public Admin.
Professional Association of Canadian Theatres, Canada-wide	Cdn. Actors Equity Assn. (CLC) (stage entertainers)	4,315	Services

Visit our Internet Web Site for access to a complete 1999 Calendar of Expiries and Reopeners at:

<http://labour-travail.hrdc-drhc.gc.ca/doc/wid-dimt/eng/>

Primary Ind. - Primary Industries
Public Admin. - Public Administration
Services - Community, Business and Personal Services

SELECTED PROVISIONS IN MAJOR COLLECTIVE AGREEMENTS*

Nicole Boudreault, Angèle Charbonneau, Céline Laporte, Tania Plante, Marlene Préseault
Information and Client Services Section, Workplace Information Directorate
Labour Program, Human Resources Development Canada

Training and Education Leave Provisions in Effect in January 1999

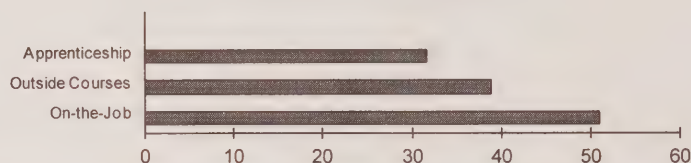
The following brief overview examines training and education leave provisions contained in major collective agreements that were in effect in January 1999 and which cover 500 or more employees. It should be noted that the percentages reflect the percentage of workers covered by these provisions.

Secondly there are examples of provisions in collective agreements which promote the concept of continuous or life-long learning or other similar means whereby employees are encouraged to pursue their professional development by acquiring new skills and/or enhancing existing ones.

In January 1999, provisions for **On-the-Job** training were available to the largest percentage of workers (51.1 per cent) compared to 38.8 per cent of workers covered by provisions for **Outside Courses** and 31.6 per cent benefiting from **Apprenticeship** training.

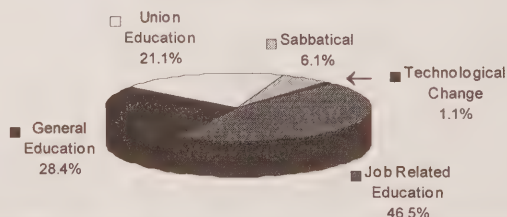
Job Related Education Leave provisions are present for the largest proportion of workers (46.5 per cent), while **General Education Leave** is available to 28.4 per cent of workers and **Union Education Leave** for 21.1 per cent of workers. **Sabbatical Leave** and **Education Leave for Technological Change** purposes is available for the smallest proportion of workers, representing 6.1 per cent and 1.1 per cent respectively.

Training Provisions in Effect in January 1999
(Percentage of Employees)



Source: Workplace Information Directorate

Education Leave Provisions in Effect in January 1999
(Percentage of Employees)



Source: Workplace Information Directorate

* Major collective agreements are those covering 500 or more employees. At present, this sample includes 967 agreements affecting 2,262,493 employees.

The following are examples of provisions related to continuous or life-long learning:

The agreement between Canadian Pacific Hotels and Resorts Corporation *and* the Hotel Employees and Restaurant Employees International Union, Local 75 provides for a **Life-Long Learning Fund** whereby the employer will contribute 1¢ per hour worked per employee covered by the bargaining unit. The company and the union recognize that education is a continuing process and have a joint belief in providing support to upgrade existing employees, the fund will be used exclusively to **upgrade employees' work related skills and/or knowledge** and to assist employees in the solving of **day-to-day challenges in the workplace**.

The Canadian Broadcasting Corporation *and* the Newspaper Guild - Canadian Region, the Communications, Energy and Paperworkers Union and the Canadian Union of Public Employees have put in place a Human Resources Advisory Committee to develop a new employment system which takes into account the **acquisition of skills** and the general principles of **training and development**. In addition, a Technical Unit Workplace Committee is responsible for the provision of an environment that treats employees as a resource, and promotes **continuous learning and improvement**.

The City of Winnipeg *and* the Canadian Union of Public Employees, Local 500, have agreed to pursue **continuous improvement in quality and productivity** by placing continuous emphasis on a number of items including **commitment to staff**. To ensure the attainment of this objective, a joint committee is to be established to discuss **employee feedback and objective-setting systems** that include **employee goals and learning opportunities**.

Furthermore, the agreement between the City of Montreal *and* the Syndicat des professionnelles et des professionnels municipaux de la Ville de Montréal provides for the establishment of a **Professional Development and Productivity Committee** to review work organization and procedures and to promote the development of employees by funding specific **occupational training projects**, drafting a **career plan** and managing the various aspects of **employee development**.

A more detailed analysis of training and education leave provisions contained in major collective agreements appeared in the 1998 Summer Edition of the Workplace Gazette. Additional information is also available from the Workplace Information Directorate at 1 800 567-6866 or (819) 997-3117.

The Workplace Information Directorate provides a variety of information on innovative workplace practices in each issue of the Workplace Gazette.

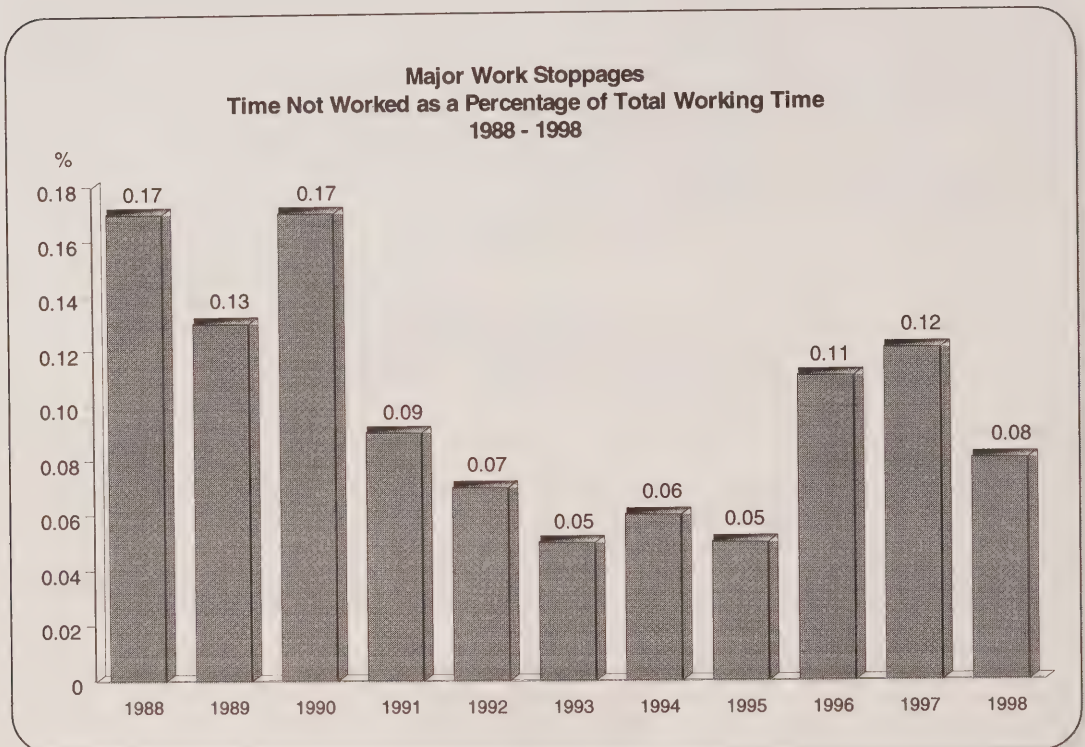
For more information on workplace innovations, please contact the Workplace Information Directorate directly at 1 800 567-6866 or (819) 997-3117 or visit our Internet site at <http://labour.hrdc-drhc.gc.ca/>

WORK STOPPAGES* – 1998 AND CHRONOLOGICAL PERSPECTIVE

*Work Stoppages, Labour Organizations and Collective Agreement Analysis Section
Workplace Information Directorate
Labour Program, Human Resources Development Canada*

Annual Summary

- Working time lost due to work stoppages accounted for 0.08 per cent of estimated total working time during 1998. This figure is somewhat lower than the 1988-1997 annual average of 0.1 per cent of estimated total working time
- Time not worked as a result of strikes and lockouts in 1998 amounted to 2,437,970 person-days. This total is also lower than the 1988-1997 annual average of 2,997,723 person-days lost



Source: Workplace Information Directorate

* Involving one or more employees.

- The number of workers involved in labour disputes during 1998 totalled 252,498, considerably higher than the previous ten-year annual average of 219,651
- There were 362 work stoppages in 1998, compared to the 1988-1997 annual average of 432 stoppages
- The average of 9.7 person-days not worked per worker involved in disputes, is somewhat lower than the previous ten-year annual average of 13.6 days
- Six major work stoppages occurring during 1998 accounted for approximately 39 per cent of the total person-days not worked
- A strike by 4,650 **Abitibi-Consolidated** employees in Newfoundland, Québec and Ontario accounted for 473,450 person-days not worked in 1998, over 19 per cent of the year total. The main issues involved were wages and working conditions
- Five other work stoppages together accounted for approximately 19 per cent of the total person-days lost during 1998, as follows: **Fletcher Challenge**, 2,400 employees in British Columbia; **Masonry Industry Employers Council of Ontario**, 3,500 employees province-wide; **Interior Systems Contractors Association of Ontario**, 1,500 employees province-wide; **Société des casinos du Québec inc.**, 1,800 workers in Québec, and **Commissions scolaires du Québec**, 80,000 employees province-wide

Table A

Work Stoppages by Jurisdiction – 1998

Jurisdiction	Ongoing During the Fourth Quarter			Cumulative to December 31, 1998		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Newfoundland	2	30	200	12	1,175	3,390
Prince Edward Island	-	-	-	-	-	-
Nova Scotia	8	1,289	4,840	12	2,709	15,420
New Brunswick	1	40	2,600	2	138	10,930
Quebec	49	88,037	230,800	119	102,607	516,240
Ontario	45	16,435	112,850	144	64,327	906,680
Manitoba	4	189	4,220	11	1,356	32,450
Saskatchewan	3	1,863	9,880	5	2,074	21,340
Alberta	6	407	10,270	13	3,717	57,250
British Columbia	5	13,285	17,490	29	65,504	319,270
More Than One Province	1	4,000	152,000	1	4,650	473,450
Total Provinces	124	125,575	545,150	348	248,257	2,356,420
Canada Labour Code - Part I	6	899	30,070	14	4,241	81,550
Federal Administration	-	-	-	-	-	-
Federal Total	6	899	30,070	14	4,241	81,550
Total	130	126,474	575,220	362	252,498	2,437,970

Source: Workplace Information Directorate

Table B**Work Stoppages by Industry – 1998**

Industries	Ongoing During the Fourth Quarter			Cumulative to December 31, 1998		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Primary Industries	6	4,596	184,940	11	5,638	568,700
Manufacturing	31	7,630	115,270	106	22,877	615,340
Construction	2	43	310	15	11,242	325,840
Transportation, Communication and Other Utilities	9	1,910	45,770	27	5,600	91,760
Trade and Finance	22	830	31,830	51	3,082	84,380
Community, Business and Personal Services	55	110,465	184,420	127	190,055	666,070
Public Administration	5	1,000	12,680	22	4,992	76,520
Various Industries	-	-	-	3	9,012	9,360
Total	130	126,474	575,220	362	252,498	2,437,970

Source: Workplace Information Directorate

Table C**Largest Work Stoppages - 1998**

Employer	Union	Main Issue(s)	Workers	Person-Days Not Worked
Abitibi-Consolidated more than one province	CEP	wages and working conditions	4,650	473,450
Fletcher Challenge various locations, B.C.	CEP and PPWC	job classification	2,400	186,150
Masonry Industry Employers Council of Ontario province-wide, Ont.	Bricklayers	union-employer matters	3,500	98,000
Commissions scolaires du Québec province-wide, Que.	Fédération des enseignants (CEQ)	pay equity	80,000	80,000
Interior Systems Contractors Association of Ontario province-wide, Ont.	Carpenters	wages	1,500	55,500
Société des casinos du Québec inc. Montréal, Que.	Fédération du Commerce (CSN)	wages, other issues	1,800	53,480

Source: Workplace Information Directorate

Table D

Work Stoppages – A Chronological Perspective

Period	Number beginning year or month	in existence during year or month*			% of Estimated working time
		Total Number	Workers involved	Person-days not worked	
1988	483	548	206,796	4,901,260	0.17
1989	568	627	444,747	3,701,360	0.13
1990	519	579	270,471	5,079,190	0.17
1991	399	463	253,334	2,516,090	0.09
1992	353	404	149,940	2,110,180	0.07
1993	323	381	101,784	1,516,640	0.05
1994	312	374	80,856	1,606,580	0.06
1995	282	328	149,159	1,583,061	0.05
1996	296	329	281,794	3,350,860	0.11
1997	228	282	257,627	3,612,006	0.12
1998	325	362	252,498	2,437,970	0.08
1997					
December	7	54	54,748	261,150	0.10
1998					
January	15	52	6,560	120,630	0.05
February	19	62	8,591	129,010	0.05
March	12	59	17,146	153,260	0.06
April	27	66	10,661	89,405	0.04
May	35	77	42,500	123,210	0.05
June	37	91	37,098	286,190	0.11
July	31	84	26,983	323,975	0.12
August	29	78	16,660	242,940	0.09
September	45	102	43,632	394,130	0.15
October	29	84	27,220	193,900	0.07
November	28	76	100,279	252,830	0.10
December	18	72	10,810	128,490	0.05

* Refers to work stoppages which began during the year or month as well as those carried over from the previous year or month.

Source: Workplace Information Directorate

SECTION 3

INNOVATIVE WORKPLACE PRACTICES

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More than one third (45 settlements) of the 115 recently settled collective agreements reviewed for this overview of workplace innovations include specific clauses which provide for the development or implementation of new or innovative workplace practices.

Duration

One half of the agreements reached (57 of the 115 settlements) were renewed for a period of 24 months or less, with the majority of these renewals (39 settlements) involving Ontario school boards.¹ The **average duration** of the 115 settlements nonetheless extends over a period of **34.3 months**² as the proportion of shorter-term agreements is counter-balanced by 21 of the settlements having been renewed for a period of between 48 to 81 months. These include a 66-month settlement for Alcan Smelters and Chemicals Ltd. in Quebec, six 72-month renewal agreements for various paper mills in Ontario, Quebec, Newfoundland and British Columbia, and an 81-month contract extension at Maple Leaf Foods in Manitoba. An additional 32 agreements were renewed for a period of 36 months.

Labour-Management Committees

Once again, the establishment of labour-management committees is the most commonly-used approach for addressing workplace change. In fact, 29 of the 45 settlements reporting one or more innovative practice, provide for a joint committee to review, discuss and/or implement a wide range of work related issues or practices. Examples of the varied mandates of these committees include the establishment of a

Presidents' Council as stipulated in two British Columbia paper mill agreements with the Communications, Energy and Paperworkers Union of Canada (CEP), Locals 1, 76 and 119. This Committee will review issues related to **productivity, profitability, market conditions, morale, work opportunities, any alleged discrimination, the ongoing effectiveness of flexible work practices** and any other related subjects. Other examples include the establishment of a joint committee within the Board of Trustees of School District No. 7 in Alberta, which will examine and make recommendations by June 30, 1999, on issues related to **hours of work, including, but not limited to: modified school calendars or year-round schooling, compressed work weeks, flex-time, and the length of the work day**; and, the creation of a committee within the Halton District School Board in Ontario, to examine issues related to **incidents of violence** and report the findings to an Administrative Council by January 1, 2000.

Labour Relations

Two settlements were reached well in advance of their previous agreements' scheduled expiry dates; notably the 56-month agreement extension between Mitchell's Gourmet Foods and the United Food and Commercial Workers International Union (UFCW), Local 248-P, which was reached approximately 20 months prior to the previous agreement's expiration date. At that time, the parties agreed to renegotiate contract terms and to extend the new agreement to March 31, 2003. The agreement between the Health and Community Services Agency and Regional Health Authorities of Prince Edward Island and various locals of the Canadian Union of Public Employees, was to expire

¹ Thirty-nine first-time agreements involving various Ontario school boards were recently settled as a result of the introduction of legislation which provides for the restructuring and amalgamation of school boards within the province.

² The average duration for the 389 settlements reached in 1998 was 32 months.

March 31, 1999, however, during the negotiation of a wage reopener in April 1998, it was decided to combine the negotiation of the new collective agreement, resulting in a 36-month renewal agreement which is due to expire on March 31, 2001.

Compensation and Working Conditions

Twelve settlements report the implementation of practices related to either compensation or conditions of work. Of note, the agreement between Canada Post Corporation *and* the Association of Postal Officials of Canada provides for an **individual incentive plan** in the form of an annual one time payment of up to 4.5 per cent of an employee's base salary. The criteria for level of payment is based on a comparison of corporate key indicators and the employee's actual performance against goals that he or she had set for him or herself for that year. Two separate settlements between the Government of Canada *and* the Public Service Alliance of Canada now provide for the inclusion of **same-sex couples** in their definition of common-law spouses allowing for equal access to the collective agreement provisions. Elsewhere, Expertech Network Installation Inc. *and* the CEP, have negotiated a **reduced work week** whereby, outside of the peak period during which employees are required

to work a 37.5-hour week, an employee may choose to work a 36-hour or 32-hour week. Moreover, the 32-hour option would allow an employee to use 5.5 of his or her banked hours to be paid for 37.5 hours per week. Finally, three British Columbia pulp and paper mill agreements with various locals of the CEP, provide for a **flexibility premium** which awards employees additional hourly compensation upon their successful completion of modular training programs and subsequent utilization of skills acquired as a result of that training.

Training and Development

Five settlements report a new initiative in the area of employee training and development in the form of financial assistance. These include the establishment of an **education and training trust fund** for employees of Western Glove Works in Manitoba, to which the employer will contribute \$25,000; the provision for employees of les Caisses populaires du Saguenay-Lac St-Jean to be **paid for half the time they spend attending courses** at a CEGEP (Community College) or university; and for employees of Lear Corporation, an employer contribution as of January 1, 2000, of 1¢ per hour worked towards **paid educational leave**.

WORKPLACE INFORMATION DIRECTORATE

*Labour Program
Human Resources Development Canada*

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 - access to a complete calendar of *Expiries and Reopeners*;
 - access to the Overview and related articles of *Workplace Innovations*;
 - searchable *Labour Organizations* database.
- Online request for information and subscription forms.

LEARNING THEME INTRODUCTION

This issue provides a compendium of articles and case studies that cover the topic of basic literacy skills in the workplace and in the community; it also includes business literacy, workplace training and learning and training in the new economy.

First is a report on the Federal government's commitment to workplace literacy and examples of **workplace and community initiatives**. Also covered under the learning theme is the CanLearn Interactive program and its **implications for workplace learning**. The articles on **Using Technologies** for Workplace Learning and **New Strategies** for Workplace Learning provide an interesting focus.

An article based on a survey of major labour organizations provides major findings on **union sponsored workplace training**, excluding training in union related topics such as stewardship and grievance handling. Also, a **business literacy workshop** developed by the Conference Board of Canada with funding by the federal government's Labour-Management Partnership Program can easily be downloaded and utilized by unionized and non-unionized organizations.

Of particular interest are two articles: one, Workplace-Based Training and the *1 per cent Act* in Quebec, reviews the mandatory 1 per cent of payroll for training and development in the province of Quebec and provides insight into **how funding issues can influence the direction and priority of training and development initiatives**. A second study on Employee Training in Canada compares a sample of companies on a number of areas and focuses on **training and learning as a competitive tool**.

The Canadian Policy Research Network shares two papers. A first one on Training in the New Economy outlines **Policy implications for governments and business and labour challenges**. A second paper on Developing Skills in the Canadian Workplace summarizes major findings from a national survey.

Case Studies describe **Team Building** at John Deere Credit and the **Skill Enhancement Training** at MacMillan Bloedel, the New Westminster Lumber Division.

Internet Web Sites identified with several of the above learning theme articles may be found at the end of each article; other related web sites are listed below.

Society of Human Resource Management	- http://www.shrm.org/
American Society for Training and Development	- http://www.astd.org
Ontario Society for Training and Development	- http://www.ostd.ca
Human Resources Professionals Association of Ontario	- http://www.hrpao.org
Ordre des conseillers en ressources humaines et en relations industrielles du Québec (French only)	- http://www.rhri.org
Saratoga Institute Canada	- http://www.saratoga-cda-com
Canadian Intergovernmental on-line	- http://www.intergov.gc.ca
Canadian Education on the Web	- http://www.oise.utoronto.ca/~mpress/eduweb.html

SKILL ENHANCEMENT AT MACMILLAN BLOEDEL – THE NEW WESTMINSTER LUMBER DIVISION

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A Skill Enhancement Training Centre is located at the New West Lumber Division of MacMillan Bloedel, which is a lumber mill with approximately 300-350 workers. The training centre is a worker education program that is wholly supported by the company. Computers are set up in the division for employee access and learning.

The Skill Enhancement Training Centre started as a general education development for workers to improve their educational level. Better educated workers are expected to be more confident in dealing with changes, more capable to meet challenges from new technology, and more willing to provide their input in decision making in the workplace. The training centre aims at creating a more positive atmosphere and a better working relationship.

Development of the Skill Enhancement Training Centre

In 1994, a grievance set the stage for the development of a skill enhancement training centre. One worker had to interact with a computer screen to operate one of the machines. He felt he wasn't able to do that. A grievance was filed. The company decided to review the extent of the problem and conducted a needs assessment. Information was collected from interviewing 60 to 80 workers and conducting focus groups. A list of seven fundamental issues was written and a skill enhancement training centre was created to deal with them. External expertise formed an important part of its early development. Their services were offered free. An expert in workplace education programs was involved. Indeed, a Skill Enhancement Training Centre at MacMillan Bloedel was set up to provide basic computer and language training to its workers. Through continuous and extensive training, workers become better equipped to use new knowledge and technology. This human capital investment pays in improving production.

Services Provided

Participation in skills enhancement training is voluntary and workers use the services after work on their own

time. Both full- and part-time instructors and planners are hired by the company to run the following programs:

- **Basic computer skills** – Workers learn how to use a computer, how to use different software, basic keyboarding skills, and problem solving or troubleshooting with their computers at home. They also have internet access.
- **Interest-free computer purchase program** – The company lends money to workers to buy computers interest-free. About 90 workers have bought computers through this program and improved their families' computer literacy as well. For workers who cannot afford to buy computers, the training centre had a number of multimedia computers available on loan.
- **General Education Diploma training** – About seven people completed their General Education Diploma (high school equivalency) through participating in skills enhancement training.
- **Numerical or mathematics training** – Workers need numerical skills for "tallying" or "lumber grading" which involves handling fractions, measurements, and estimating the grading of the wood itself.

- **Apprenticeship assistance** – Training is provided for people who want to go into apprenticeships.
- **Writing skills** – Training in writing skills is also provided for workers who need to write reports or memos at work, require help in this area at home, or feel the need to upgrade their writing skills for educating their children.
- **Language training** – The training centre hires a Spanish speaker from Mexico to teach Spanish. Other languages include Punjabi and French.

Outcomes

The participation rate in the skill enhancement program is high. Almost two-thirds of the workers (225 out of 350) have used these services. Through the computer interest-free purchase program and the computer loan program, computer literacy among workers and their family members has improved. The new skills and exposure give workers more confidence. Workers at the New West Lumber Division become more ready to make use of new technology and knowledge. Production managers and supervisors have noticed that their workers have made changes. The plant becomes more productive as a result of the training.

Besides improving skills and knowledge, the training centre becomes a socializing centre. Due to its central location and the popularity of its programs, workers feel free to drop by, learn and socialize. The training centre has celebrations every few months to recognize workers' achievement. The program builds a satisfied, knowledgeable, and happy crew. The program illustrates the division's care for their workers, understanding of workers' needs, and willingness to invest in their workers.

Key Success Factors

- The most important factor is to protect the privacy of workers. Individuals' records are not communicated outside of the program. The Centre reports in

aggregate as to the number of people participating, the number of hours spent, and the nature of activities held.

- Another success factor for the Skill Enhancement Training Centre is equality between regular workers, office staff personnel, and other workers. These resources are for employee use. Hopefully, workers perceive availability as fair and useful.
- The Centre is structured as a place where people can feel at ease. Workers can come into the Centre, have a break, relax, enjoy, and learn.
- The Training Centre involves workers and their families. Extending the benefits to workers' families allow workers to continue learning at home. The company will benefit from having more knowledgeable and dedicated employees.
- The Training Centre is run by a committee of employees who are very involved. The committee offers guidance and support to the Centre: they identify important issues, plan and implement new programs, monitor progress, and evaluate performance. Instructors report to the committee on a monthly basis. Workers' participation allows the Centre to meet the needs and interests of workers and maximize their involvement.

Pitfalls to Avoid

- Always be able to offer something new. Once workers learn a specific set of skills, they often search for the next level. The Skill Enhancement Training Centre needs to continuously assess the emerging needs and update the knowledge base of workers. Otherwise, the participation rate will drop and the program will lose its usefulness.
- Do not get involved with the politics of the plant. The major purpose of the program is to help people learn. Employee involvement in the Skill Enhancement Training Centre committee will reduce the potential for distracting political activities.

TEAM-BUILDING AT JOHN DEERE CREDIT*

Bob Jugovic
Queen's University

John Deere Ltd. is a global company with operations in more than 160 countries and 33,900 employees worldwide. The company is the world's leading producer of agricultural equipment and a major producer and supplier of construction and forestry equipment, a broad line of tractors, mowers and other outdoor power products for consumer and commercial uses, diesel engines and various power train components for Original Equipment Manufacturers (OEM). The company is guided by a set of values that include "a commitment to product quality, customer service, business integrity and a high regard for individual contribution." It also strives to provide to its employees excellent opportunities and prospects for personal growth and advancement including competitive pay and benefits.

The focus of this paper is team building and team implementation at John Deere Credit (JDC) in Canada, a financial services subsidiary of John Deere Ltd. Its key products are retail and wholesale financing, leasing and revolving credit and crop production loans. JDC was established in 1958 and is currently the fastest growing business in the John Deere family. In 1996, at the time of the team building event, the Burlington, Ontario operations of the JDC employed 118 workers. The number has since grown to 143 in early 1998.

Background

In 1995, John Deere Credit Canada purchased the Canadian Equipment and Finance Company (CEFC). At the time, John Deere Credit (JDC) had two Canadian offices. Its western headquarters office, located in Edmonton, Alberta, handled much of John Deere's agricultural business in Canada. The Edmonton office was also home to other John Deere businesses, including credit. The Canadian headquarters, located in Grimsby, Ontario, managed all of the other John Deere businesses operating in Canada. With the acquisition of CEFC, JDC expanded its functions, number of employees, and clients. These changes precipitated JDC moving its operations in 1996 from the Grimsby headquarters and opening its new office, dedicated only to credit, in Burlington, Ontario.

With a transfer of its operations to Burlington, management at John Deere realized the inefficiency and administrative difficulty of having its human resource management services continue to be provided

by the Grimsby headquarters, and hired a Human Resource Manager for the new location exclusively responsible for the credit business. This new recruit was from a company not affiliated with John Deere. By having no preconceived ideas about the culture and management practices of John Deere, the new manager had the unique opportunity to develop human resource policies autonomous from those that had been instituted in the Grimsby and Edmonton offices.

Early on in her tenure with JDC, the Human Resource Manager noticed that two distinct cultures existed within JDC. The managers from the former CEFC had a different organizational philosophy than that of John Deere Limited. In terms of human resource management, CEFC had established a unique team-based culture distinct from the traditional top-down management structure of John Deere. The result of this difference, she discovered, was that the managers and employees of the former CEFC enjoyed

* A condensed version of the Research Essay titled *Team Building and Team Implementation: A Case Study of John Deere Credit, Burlington, Ontario*, completed for the Master of Industrial Relations degree at Queen's University. The essay was supervised by Dr. Carol Beatty, Director of the School of Industrial Relations. Case study publication was coordinated by Pradeep Kumar.

a more open and productive relationship compared to those of John Deere. Indeed, CEFC employees were more comfortable and trusting of their managers, and had high morale. They were also more enthusiastic and confident in their jobs. Overall, the Human Resource Manager also noticed that employees of the former CEFC were more productive and provided better service quality for their JDC customers.

Soon after accepting the newly created position, the Human Resource Manager outlined her concerns about two separate and perhaps incompatible leadership styles within their management function to the President of JDC. She emphasized that although there was no visible tension, there also was no sense of team or group cohesion among the JDC employees. In fact, two distinct cultures existed at JDC in early 1996, she noted.

The Human Resource Manager offered the President of JDC suggestions for resolving the problem. As part of her solution, she introduced the idea of implementing a work team system and culture at JDC. She believed that work teams would create an environment that would empower employees to contribute to the improvement of products and services by giving them the authority to improve it themselves. This environment, she envisioned, would result in more satisfying jobs that would offer employees greater challenge, variety, and opportunity for job enhancement.

Teams would also improve employee morale, thereby producing positive employee attitudes, increasing productivity, and reducing costs. Teams would satisfy people's needs to belong, to interact with others, to receive recognition, and to achieve. More importantly, she asserted, teams would help improve communication amongst management which would help to unify the organization and help make JDC more responsive to change.

To begin the change process, the President and the Human Resource Manager decided that all managers and senior personnel needed a bonding experience. In particular, the perceived differences between the communication and managerial styles of CEFC and JDC employees had to be addressed. According to the plan, bonding would be facilitated by all middle and top managers being educated in the basic elements of leadership, including visioning, effective communication, and flexibility.

The plan called for providing managers with the tools to help manage the transition to a work-team culture at JDC. By learning work-team concepts, it was hoped that managers would be educated and become committed to both the vision, and methods, of implementing a team-based organization. This training would include sessions on developing empowerment, common language, and a supportive culture. In effect, the decision to train the managers of JDC in the basic elements of team-building was the first step toward moving the organization from the traditional hierarchical structured JDC to a more decentralized, flatter, cross-functional team-based company.

Why Teams?

Although there are many reasons why organizations implement work team systems, the rationale behind introducing teams at JDC was to increase employee morale. It was hoped a team environment at JDC would help to create a more satisfying and rewarding work culture, thereby improving employee attitudes, increasing productivity, and reducing costs.

According to the Human Resource Manager, besides developing a sense of membership amongst employees, participation in work teams helps to "satisfy people's needs to belong, to interact with others, to receive recognition, and to achieve." Praise from team members is a strong source of motivation; conversely, team members know that they could be alienated and admonished for their poor performance. Further, through pay raises for the acquisition of multiple skills and bonuses based on achievement, members of work teams were expected to experience even higher levels of satisfaction. These factors, it was believed, could contribute to a lower number of days that team members would be absent from work. Finally, because work teams produce more satisfied employees, the result would be greater retention with less employee turnover.

JDC's Teams

The initial team-building event was a five-day training session for 32 JDC managers and senior personnel, including the Human Resource Manager and President, in February 1996. A consultant firm which specializes in change management, leadership development, and team implementation was contracted to help develop JDC's manager's leadership abilities and provide them with the tools necessary to implement successful work-teams. Located at Pecos River in Florida, the training

emphasized the use of the outdoors with reviews, which were generally introspective and process-oriented. The emphasis was very much on personal development and leadership training.

The setting and format of the training was selected on the recommendation of JDC's President. As a participant in a leadership development program earlier in his career, he believed that the outdoor setting would be a good place to build a more cohesive and supportive environment among management. His previous experience increased the trust, accountability, support, truthful communications, and energy/empowerment in his group of colleagues.

JDC managers went through two phases of training. In the first stage, participants were involved in leadership and team-building workshops that were designed to focus on core attributes. These workshops were experiential training processes. The managers did not learn about leadership theory per se; rather each manager's personal potential was uncovered through involvement in 'real life' business and personal situations. They practiced the application of specific leadership behaviours in their unique situation. These behaviours were then transferred to daily work routines for implementation.

In the second stage, participants moved outside to face physical and team-oriented challenges. Typical events in the outdoor-based program included a 'trust fall' where each person would take a turn standing on a platform and falling backward into the arms of his or her co-workers. This type of training focused on the process side of team intervention, teaching employees to be better communicators and trust each other more. The model that this type of training is based on is that experience is the teacher. The outdoor experience was designed to build leaders who could reach inside their comfort circle, solve tasks using creative and unconventional methods, depend on others for support and creative ideas, identify and overcome uncertainties, and communicate needs and praise to others. Group dynamics and trust were critical factors that were emphasized in the variety of physical challenges that JDC managers faced.

Upon their return from the training session in February 1996, the President of JDC assembled the 32 participants and the rest of the employees from JDC to debrief the entire organization on why this training was necessary. Having JDC management treat employees equitably was emphasized, as was the need to have employees and managers better

communicate and interact to improve the quality of service to customers, as well as the work-life at JDC. This meeting had the effect of illustrating the fact that management at JDC was serious about changing the traditional relationship.

Each of the 32 participants then held smaller "Strive for Change" team meetings with their employee groups. These meetings were designed to further communicate with employees the importance of the training experience, and help educate them on what the participants had learned. Participants discussed with their employees what they had learned, how they were planning to change, as well as 'where they wanted to go' as managers.

The idea of working as a team was introduced. Respecting the right of fellow employees to communicate their ideas, provide opinion, and be informed of change were fundamental principles espoused by the managers. In these meetings, the managers led their employees through team-building exercises to help break down barriers that had been built over the years and find new ways to solve problems.

According to both the participants and the direct reports, these meetings were extremely helpful in alleviating some of the tension that had built up over the years and helped managers and employees better understand each others' perspectives. Essentially, these meetings had the purpose of establishing an entirely new work culture at JDC, a culture where terms like teamwork, communication, understanding, and change were just as important as profit, market share, and return on investment.

To further facilitate team-building, all employees were also trained in the core competencies of working in teams. Two training modules were conducted at the JDC Burlington office. This one-week training session emphasized problem solving in groups, the need to appreciate that how you get the job done is just as important as getting the job done. The session also covered training team members in communication skills, team dynamics and working more closely with top management.

Finally, in order to maintain the spirit of communication, teamwork, and the change effort, every Friday, managers and employees participated in "Playing to Win" meetings. In these meetings, issues that were of concern to JDC employees, including managers, were raised. Emphasis was placed on effective

communication, participation, and team-building. Suggestions, praise, and directed criticisms were meant to improve the work environment, output, and spirit of JDC employees. Initially, the meetings concentrated on development issues such as team structure and improving communications. Eventually, however, after the culture of a team environment was understood, these meetings turned to 'real' business issues. The meetings evolved fully, and continue to exist today. While improving relationships between managers and employees, direct reports continue to be an important component of these weekly gatherings. In a short span of time, JDC has matured as an organization and has moved away from some of the human issues that had held progress back toward using their teams as a source of competitive business advantage.

Impacts

In January 1996, prior to the team building training, a comprehensive survey was conducted of John Deere Limited employees including the JDC unit. The survey was directed at the entire Canadian division. Survey topics included: leadership; training and development; the work itself; teamwork; supervision; career opportunities; communication; and the organization overall. At the time of the survey, JDC was still situated in the Grimsby office. The results of the survey, therefore, are indicative of the culture of John Deere Limited (JDL) as a whole.

A similar survey was repeated at JDC in 1997, after the team building exercise, with the same eight variables in the questionnaire. This survey was conducted to compare the results of JDL, and in turn JDC with its 'traditional' organizational structure, to that of the new 'team-based' JDC office in Burlington. The impacts of the team-building exercise at JDC can be inferred by comparing the findings of the 1997 survey with the 1996 survey. In particular, if the team-building events in 1997 were a success, the most recent survey results would indicate an improvement among the 'human resource' variables analyzed.

The 1996 survey results indicated less than positive results in the eight topics selected for JDL Canada. Among the eight measurable categories, employees had the opportunity to select one of three possible ranking options: favourable; neutral; and unfavourable. When compared to 37 other benchmark organizations located in Canada and the United States (such as Ford, IBM, Xerox, Shell Oil), the 1996 survey results indicated that JDL was below the national norm for

'favourable' rankings. Thus, while the 'favourable' norm was 56.7 per cent across the benchmark companies, JDL only had a favourable employee response of 49.6 per cent, suggesting that JDC employees did not consider their organization to be progressive in human resource management among the 37 other companies in the eight topics surveyed.

The 1997 JDC survey results indicated a significant improvement across all eight of the variables analyzed. In some cases, the progress has been dramatic. In terms of leadership, for example, 54 per cent of JDC employees in 1997 had favourable opinions about their managers compared to only 17 per cent in 1996. The favourable opinion of supervision increased from a relatively poor 28 per cent in 1996 to 54 per cent in slightly over one year. Communication and teamwork have also improved, receiving favourable responses of 58 and 65 per cent respectively in the latest survey, compared to 35 and 22 per cent respectively in 1996. In terms of career development, the number of favourable responses doubled from 21 per cent in 1996 to 42 per cent in 1997. The survey of the work environment at JDC indicates that the recent changes have had positive impacts on the quality of work life. Indeed, the number of favourable responses has increased from 26 per cent of respondents in 1996 to 64 per cent in 1997. The employee opinion about training and development opportunities has also improved dramatically since the team-building event, with 65 per cent of respondents in the 1997 survey expressing a favourable impression of the training programs available compared with 28 per cent in 1996. Finally, in terms of the organization as a whole, in 1996 only 12 per cent of employees at JDL had a favorable overall impression of their company. The most recent survey indicates that 53 per cent of JDC employees in 1997 believe that their organization is a 'favourable' place to work.

The significant changes that have taken place in the Human Resource department and in the leadership at JDC since its move to the Burlington office have clearly improved employee perceptions about the effectiveness of their business unit and of their company as a whole. The transformation of the Human Resource function and, in particular, the attention paid to communication, trust, empowerment, and support that JDC employees receive from their managers and supervisors appeared to have enhanced quality of work-life at JDC. The changes are evident in the positive feedback and improvements in employee perceptions reflected in the 1997 JDC employee survey.

Conclusions

The main purpose of this paper was to investigate and analyze the implementation of a team-based work environment at JDC. A comparison of the 1996 and 1997 employee surveys, provided a unique opportunity to examine and draw conclusions regarding the effectiveness of team-training and team implementation.

Because this paper relied upon a case study of a specific organization, rather than an empirical study across organizations, it is difficult to make conclusions about the effectiveness of teams in general. Further, because the 1997 survey was conducted at JDC after the team-building event took place, rather than before, which would have depicted clear cause-effect relationships, conclusions drawn from comparing the data to the 1996 JDL survey are limited.

Despite the limitations of the case study research, some conclusions can be drawn from the JDC experience in team-building. In light of the recent survey, it is clear that JDC's endeavour into team-building has been a success. The most recent survey indicates that significant positive improvements have taken place in the organization. JDC has made important strides in the eight topics selected for analysis. In some areas, the changes have been dramatic.

The team-building event at JDC provides, albeit in part, a direct link to these improvements. The exercise addressed many of the issues considered by this recent survey. These included: communication, supervision, leadership, team-work, training and development, the work itself, career opportunities, and the organization overall. Between 1996 and 1997, there was a paradigm shift in the organizational culture at

JDC. The new work environment has had a positive impact on employee perceptions about their workplace, and their organization as a whole.

The initial sponsorship of the training drive came from the top of JDC management. Together with the Human Resource Manager, the President of JDC fully supported the efforts of the organization and led the events that followed. The Human Resource Manager, moreover, was included all along in the process to help co-ordinate activities, which made the program more successful. The support of the President and Human Resource department was crucial because together they defined what the organization needed, and had the authority to effect the necessary changes. Further, the in-house training component and the weekly "Playing to Win" meetings were very important contributions made by the Human Resource department that were accepted by top management, a fact which also helped make the implementation of a team-based culture at JDC successful.¹

There is sometimes a considerable time lag between developing an awareness in training and exhibiting the new behaviour on the job. The fact that JDC experienced improvement so quickly in the eight measurable topics is a testament to the efforts of the entire organization. Every level of JDC has contributed to the change effort. Despite this, while JDC has had significant positive improvements, there is still room for growth. The challenge for the organization is to sustain the momentum over the long-term and continue to build together. However, given the improvements that have taken place at JDC over the last year, and the commitment of current management to progressive human resource strategies, it seems clear the JDC will continue to grow and be a leader of change.

¹ Other factors not considered by this research include recruitment and selection policies and compensation systems which were modified to meet the needs of the team-based environment. These changes, effected by the Human Resource department, could potentially have had important implications as to the success or failure of the training initiative by either reinforcing or weakening the change effort.

THE FEDERAL GOVERNMENT'S COMMITMENT TO WORKPLACE LITERACY

Brigid Hayes, Program Consultant
National Literacy Secretariat
Human Resources Development Canada

The National Literacy Secretariat was established in 1988, to encourage investments in literacy in communities across Canada. Over the past decade, the Secretariat has supported projects to develop learning materials, make literacy programs more accessible, increase public awareness of the importance of literacy, improve co-ordination and communication among literacy partners, and undertake literacy research.

"Literacy skills are important for developing and maintaining marketable work skills, staying healthy and participating in all aspects of life. . . A wide-ranging network of partnerships has evolved which includes all provincial and territorial governments, the voluntary sector, business and labour, the literacy community and federal government departments." – National Literacy Secretariat information booklet.

Working with a network of community, business and labour partners, and with provincial/territorial governments, Human Resources Development Canada's National Literacy Secretariat has emerged as a key resource supporting the recognition of basic skills and the development of workplace literacy programs.

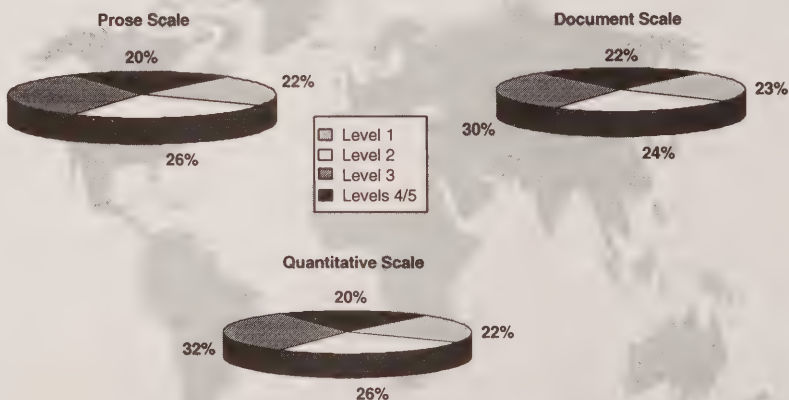
A highlight of the Secretariat's work is its project support for front-line literacy agencies, totaling \$10.6 million per year. All provinces have at least matched

the Secretariat investment, and the larger provinces have exceeded it. The funds go directly to the community level, to support projects that make a crucial difference in the lives of adult learners.

Workplace Literacy

Nowhere is this team approach more important than in the growing field of workplace literacy. The Secretariat's work in this area recognizes literacy as a continuum of skills that must be practised every day and linked to every aspect of an adult's life.

Chart A
Canada - Literacy Levels

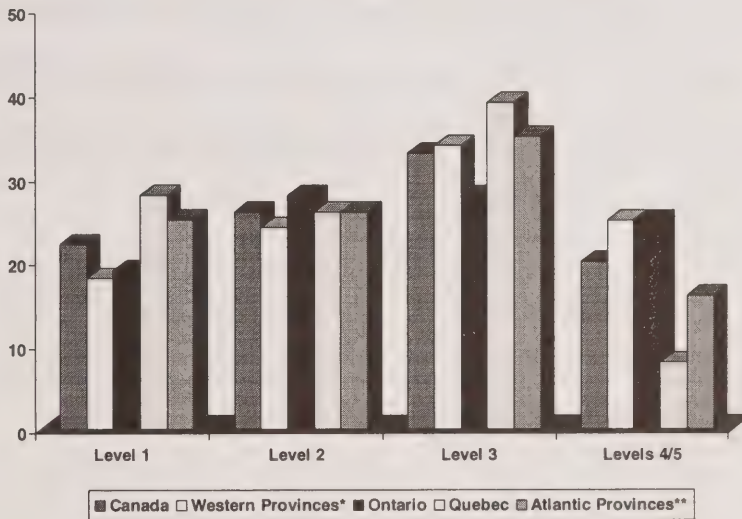


According to the International Adult Literacy Survey, a venture sponsored by the Organization for Economic Cooperation and Development, Statistics Canada and Human Resources Development Canada, the reading and writing skills of almost one-half of Canadians are not adequate. The international survey clearly demonstrated that literacy is linked to people's social and economic well being, as well as being vital to Canadian's competitiveness.

The international survey measured three dimensions of literacy using materials found in everyday life. These three dimensions were **prose** literacy,

document literacy and **quantitative** literacy. Results are translated into four levels of literacy from level 1 (lowest) to 4/5, the highest (See Chart A). There are a number of Canadians whose literacy levels fall below the accepted threshold of level 3. In some cases, these Canadians did not receive adequate levels of formal education to keep up with today's demands, while in a number of cases, literacy skills deteriorated with lack of use on a daily basis. Moreover, Canada's literacy rates vary by region. Literacy rates increase as one moves from east to west (See Chart B).

Chart B
Literacy by Region - Prose Scale



* Alberta, British Columbia, Manitoba and Saskatchewan

** New Brunswick, Newfoundland, Nova Scotia and Prince Edward Island

Overall, Canada has approximately 17 per cent of its population at level 1, the lowest level of literacy, compared to Sweden which has 8 per cent, followed by the Netherlands at 11 per cent and Germany at 14 per cent.

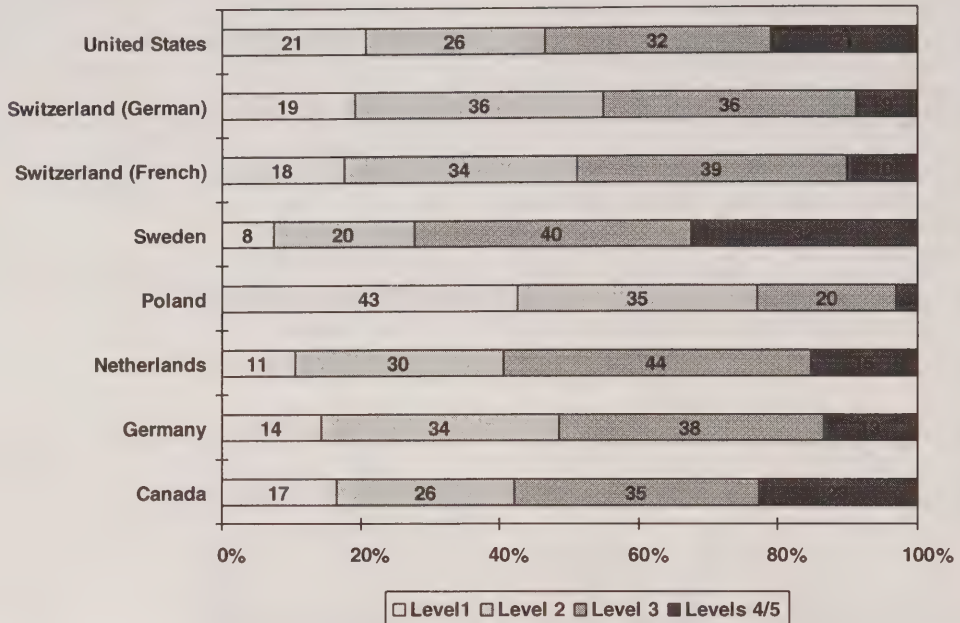
At the highest levels of literacy, Sweden leads with 32 per cent of its population, followed by Canada at 23 per cent; whereas, Germany trails at 13 per cent. The remainder of Canada's population include 26 per cent at level 2 and 35 per cent at level 3 (See Chart C).

Building Partnerships

In recognition of the importance of using literacy skills and retaining those skills in the workplace, the Secretariat has worked to bring business, labour, government and the community to the table in partnership.

In 1997 the value of these efforts was recognized when the National Literacy Secretariat received a 30 per cent increase in its budget with a special emphasis on supporting workplace literacy partnerships.

Chart C
International Literacy Levels



Why should employers and unions become involved in workplace literacy efforts? A 1997 Conference Board of Canada study of employers' experience with workplace education programs (Bloom, Burrows, Lafleur and Squires, 1997) cited the following top ten benefits:

- increased ability to handle training on the job,
- better team performance,
- improved labour-management relations,
- increased quality,
- improved results in job-specific training/quicker training results,
- reduced time per task,
- increased output of products and services,
- reduced error rate,
- better health and safety record, and
- reduced wastage/increased retention of employees/increased profitability.

ABC CANADA, a private sector literacy organization, found similar results when it asked employers about the impact of workplace education programs (Long, 1997). In addition to some of the points mentioned above, the ABC CANADA study found that workplace

education programs help to remove some of the barriers in the workplace based on age, sex, race and language.

Labour organizations have also responded to the issue of workplace literacy. Greater literacy skills improve individual workers' lives and assist them in dealing with workplace changes. As for union members, increased literacy skills permit more participation in union activities, and increased understanding of benefits and collective agreements. Increased literacy skills will also lead to further training and education whether in the workplace, in the union or in the community. (See Levine, 1997; Sarmiento and Kay, 1990; and others.)

For individual workers there is a direct payoff for strong literacy skills. Over an employee's working lifetime, a male with high literacy skills can expect to make an extra \$585,000. For female workers with high literacy skills the literacy dividend is \$683,000 in additional lifetime earnings as compared to a worker with lower literacy skills (Bloom, Burrows, Lafleur and Squires, 1997).

Thus many employers, sector councils and labour organizations are seeing workplace education as a way to bring lifelong learning to the workplace, to keep skills current and build new skills and to build partnerships in the workplace.

Over the past ten years, the Secretariat has worked in partnership to explore a variety of models for delivering workplace literacy programs, including peer tutoring, volunteer tutors, adult education programs, integration of literacy into trades training, computer-assisted learning, and learning centres. Because the Secretariat has not chosen to endorse any one specific approach, innovation and creativity have been the hallmark of our partnerships.

Highlights for 1998-1999

Business-Labour National Grants Program National Literacy Secretariat

- ABC CANADA hosted a think tank on worker assessment. The think tank provided an opportunity for key stakeholder groups – business, labour, educators, government and academics – to explore the issue of worker assessment.
- The Canadian Council of Professional Fish Harvesters, representing the fishers and their unions, is developing an approach to upgrade the basic skills and literacy levels of fishers as well as assist fishers to gain the professional status they need to remain in the industry. This work is based on the outcome of a national needs assessment sponsored by the Secretariat. The Council will develop three modules for a foundations skills course that blends fish harvesting knowledge and skills with literacy.
- The Canadian Labour Congress is implementing its Literacy Plan of Action as approved by its Executive Council and in response to affiliate needs. The project will provide leadership and national co-ordination, enhance the profile of labour's involvement in literacy, carry out research, provide technical support, promote the use of plain language and liaise with the Congress' training strategy. The project will produce a newsletter, a 'how to' guide for unions on literacy and one on how to negotiate basic skills, a training manual for union leaders, a conference on Unions and Literacy and a meeting of all Canadian Labour Congress affiliates who have received Secretariat funding over the last ten years.
- The Textiles Human Resources Council, a joint labour-management partnership, is implementing workplace essential skills projects and case studies. It is also developing a concerted marketing strategy and program as part of a continuing effort to implement essential skills development training programs within individual firms. Key component of these efforts are industry events and activities to continue to build awareness of literacy issues.
- The Construction Owners Association of Alberta, comprised of those companies and organizations that use construction services in their day-to-day operations, will undertake four essential skills activities: the development of a model for instruction for workers with low literacy levels; the design and piloting of a curriculum for intermediate level workers; the modification and piloting of an existing program for higher level workers; and the promotion of essential skills to the industry.
- The Saskatchewan Labour Force Development Board, in partnership with Saskatchewan Post Secondary Education and Skills Training, the Regina Public Library, and the Saskatchewan Literacy Network, will define and promote workplace literacy, map and create linkages between workplace literacy stakeholders, and provide opportunities for practitioner development. Project activities include a web site focussing on workplace literacy, a workplace resource collection, and a workplace literacy practitioner training event. The results of the project will be a summary of views expressed by industry through a consultative process, a summary of delivery models that could be adapted to meet the needs of rural and small business, a training module, and a statement of a vision. The Saskatchewan Labour Force Development Board will make a set of financial and procedural recommendations at the end of the project for a workplace literacy strategy.
- The Nova Scotia Federation of Labour continues its Managing Change project, an effort to create and implement a long-term strategy to support and strengthen labour's involvement in workplace literacy.
- Workplace Education Prince Edward Island, a labour, management, government and education partnership, will continue to develop the workplace education model in the province. It will do this by

producing a newsletter, by presenting workshops for workplace literacy practitioners, and by piloting a workplace education portfolio process for workplace literacy programs and participants. Other partners in the project include the Prince Edward Island Department of Education, Atlantic Canada Opportunities Agency and the Canada/Prince Edward Island Labour Market Development Agreement.

Future Prospects

The best workplace literacy programs are directly linked to workers' immediate needs – because we know that adults learn better when they have a context for new knowledge. Workplace programs can accommodate constant shifts in our concept of literacy, as new technologies change the mix of skills that employees require for specific jobs. The National Literacy Secretariat has funded a number of projects designed for workers who were encouraged to enter the work force at an early age – only to find, years or decades later, that they no longer had the skills to keep their jobs.

The new emphasis on workplace training also reflects the understanding that 75 per cent of the people who will be in the work force in 2010 are already there. The Secretariat is eager to continue working with colleagues throughout Human Resources Development Canada – and with many of our mutual community partners – to support relevant, targeted projects at the local level.

With its additional resources the Secretariat is concentrating on several priority areas in workplace literacy. It will partner with business associations, labour unions, joint labour-management organizations to create their own strategies. Projects will help to test new ways of delivering workplace programs and to create new learning materials for the workplace. An important feature of our work will be to increase our understanding of workplace literacy.

The Secretariat supports research on various sectors of our economy and on specific occupations so that literacy programs can better meet evolving needs. The Secretariat has encouraged the workplace literacy community to discuss issues of concern in order to advance the agenda. It has sponsored research, such as workplace literacy case studies and, with ABC CANADA, has hosted think tanks on best practices and on the impact of workplace literacy.

Efforts will also be aimed at expanding partnerships. The Secretariat will work with national unions and associations to assist them in designing ways to respond to membership concerns. The Secretariat will continue collaboration with provincial and territorial partners to support their workplace education strategies. These partnerships help to lever additional resources for the provinces. The Secretariat is proud to report that business and labour at the provincial level are full partners in these initiatives.

Because business and labour organizations will need support in developing workplace literacy strategies, the Secretariat has made it a priority to sustain workplace literacy practitioners in their work. Raising awareness and having models is not enough – we need to have trained workplace literacy practitioners able to respond to business and labour's workplace literacy needs. There has been work with all partners to train practitioners across the country, thus creating a workplace literacy community.

An understanding of the importance of strong literacy skills in the workplace and of the need to create literacy-rich workplaces has increased the pressure for a Canada-wide response. Social reform efforts have focused attention on 'workforce' literacy. What lies ahead is an increasing need for best practices, training and support. There is also the challenge to create meaningful partnerships among sectors.

The Secretariat has been successful as a national response to literacy issues in part because it encourages creativity and experimentation on the part of partners. The Secretariat does not 'own' the literacy issue; rather the focus has been to position literacy as everybody's business.

The challenges are there. It is critical to support diversity whether in approach or regional differences in a fair and equitable way. Despite ten years of success, there is a continued need to expand the number of partners. Promoting success stories, bringing together the main players more frequently, and helping the hard-to-reach sectors such as small business, are high on the list of challenges for the future.

Canada has a very good record in responding to workplace literacy needs of Canadians. The bottom line is that the National Literacy Secretariat must continue to work to bring all the players to the table, helping to create a more literate Canada.

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The Awards for Excellence in Workplace Literacy, now in its second year, sponsored by the National Literacy Secretariat, Human Resources Development Canada, raises awareness of the important value of workplace literacy to business, employees and the community. This award is designed to recognize and reward innovative and effective workplace literacy programs.

The three outstanding 1998 Award winning companies who were honoured for their Excellence in Workplace Literacy were:

- **Russel Metals Inc.**, Lakeside, Nova Scotia – Small Business Literacy Initiative
- **Honeywell Limited**, Scarborough, Ontario – Medium Business Literacy Initiative
- **National Sea Products**, Lunenburg, Nova Scotia – Large Business Literacy Initiative

UNION SPONSORED WORKPLACE TRAINING

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Introduction

The labour movement in Canada has had a long standing commitment to publicly funded, accessible and equitable education for all citizens. Moreover, in the last two decades the area of workplace training has taken on heightened importance due to rapid changes in the labour market. Economic restructuring, technological change and shifting skill requirements have been a catalyst for greater union involvement in the governance, design and delivery of workplace training. However, the extent of union involvement in training is not well recognized by policy makers nor the public. This research is a clear indication that union interest and involvement in workplace training is strong, and will continue to be so in the future.

Background

The impetus for the study of union sponsored workplace training came as a result of two activities: the Canadian Labour Congress' National Workplace Training Strategy, and Human Resource Development Canada's development of CanLearn Interactive. While initially separate activities, linkages were established between the two initiatives that resulted in cooperative work on this study.

A National Workplace Training Strategy

In 1998, the Canadian Labour Congress (CLC) received Human Resources Development Canada's (HRDC) support to develop a National Workplace Training Strategy over two years. The objectives of the CLC project are:

- to provide technical support to the CLC's affiliates, provincial labour federations and local labour councils in building their capacities to develop policy or programs and partnerships at the provincial level;
- to facilitate ongoing information sharing, networking and partnership building;

- to conduct research and analysis of both public and labour training policy and programs.

As part of this work, the CLC will also be developing a comprehensive 'electronic clearing house' of information related to training programs and policies that can be readily accessed by CLC affiliates, provincial federations of labour and local labour councils.

CanLearn Interactive

At the same time as the CLC was developing its Workplace Training Strategy, HRDC was involved in the project to develop a learning planning tool that would be available to all Canadians via the Internet.

For the past year, HRDC has been developing an Internet-based one-stop resource for learning information, products and services called CanLearn Interactive (CanLearn). Available in the fall of 1999, CanLearn is designed to assist Canadians make informed decisions in planning and pursuing their learning and career goals. Inherent in CanLearn's objective of assisting Canadians, is the need to support the development of a highly skilled and flexible Canadian labour force capable of meeting the demands of the 21st century. (In developing CanLearn, particular attention is being paid to several target populations, including youth, and parents of school aged children, but for the purposes of this article, the adult population is our focus.)

During the early developmental stages of CanLearn, a small, informal consultation was held with organized labour in order to identify potential uses for members and clients, and identify potential barriers to using CanLearn. During this meeting, it was discussed how and when CanLearn should be linked to the learning and funding support provided by unions, and the CLC site.

Linking the Projects

In order to build on the suggestions raised during CanLearn's consultations, HRDC contacted the CLC to inform them of the CanLearn project, and to suggest possible areas for cooperation. The results were threefold: the CLC was invited to become a member of CanLearn's Reference Group, a committee of national nongovernment organizations tasked with providing advice and feedback on the overall development and maintenance of CanLearn; the CLC would look at the feasibility of ensuring a link to CanLearn for the provision of union based information on learning opportunities and funding support; HRDC and the CLC agreed to cooperate on a survey of unions to determine the types of union sponsored workplace training available.

Workplace Training Study

As both HRDC and the CLC were interested in determining the scope of union sponsored workplace training, during the Summer of 1998, HRDC and the CLC cooperated on a study of training available from major unions.

Methodology

Originally, the methodology was designed for a representative sample of all unions in Canada, including those not affiliated with the CLC. However, when the sample identified was reviewed, it was noted by the CLC to have two major difficulties: since the sample was based on all unions, many of the larger, major unions were not included, thus leaving out a substantial proportion of Canadian union membership; secondly, as the CLC would be using the survey's information to assist in the development of their own electronic clearinghouse, and since it was felt that many of the major unions left out of the sample potentially offered some of the most innovative learning programs, it was jointly agreed to consider the project as a 'study' of union sponsored workplace training, and focus primarily on the major, affiliated unions. As a result 38 unions, federations and congresses were included in the study.

The questionnaire was jointly developed between HRDC and the CLC. The questionnaire, and a letter explaining the study, were sent out by the CLC in advance of the telephone interview. By telephone, each union, federation or congress was contacted to ensure that the pertinent information had already been received, and to set up an interview appointment. Each interview took approximately one hour.

Terminology

For this study's purpose, union sponsored workplace training was defined as unions or other labour organizations having control (that is at least 51 %) over the content and training itself. Some areas to be included were:

- basic skills such as literacy, English/French as a second language, and computer training;
- employment services such as counselling and upgrading of skills (especially for workers laid off or facing layoffs);
- apprenticeships.

Not included in this definition was union training and education, such as steward training and union history.

Survey Questions

The full list of questions is included at the end of the article, but the essential questions designed to gather information pertinent to the needs of both HRDC and the CLC were:

- does your union offer or sponsor workplace based training?
- does your union have its own training resources?
- give a brief description of the courses sponsored.
- who delivers the training?
- do you have a Website containing your union's sponsored workplace training?

Survey Results

The interviews took place between July and October, 1998. The initial sample included 38 organizations, but nine organizations did not participate. In addition, many of the larger unions also noted that some of their locals offered specific training. A separate sample of these suggested locals was developed (N=32) but only eight participated in the interviews.

The organizations included ranged in size and type from the Canadian Union of Public Employees, the largest with 451,470 members, to a local of the Sheet Metal Workers' International Association with 300 members. Five organizations had more than 100,000

members each, and five had less than 5,000. The sample covered all Canadian regions including the Yukon and Northwest Territories. (see the list of major study participants)

Problems Encountered

The timing of the interviews turned out to be a problem since it coincided with Summer vacations. Also, for many of these organizations, a one-hour interview was quite time consuming for staff with multiple responsibilities. Education and training planning are usually not the only work of these officials, who often must deal with member grievances and collective bargaining negotiations. In many cases, several telephone calls had to be made to reach individuals, and interviews often were cancelled, before the questionnaire could finally be administered.

Results

As this was not a quantitative survey, the results of the study are presented by theme, illustrated with examples. The completed individual questionnaires will provide the CLC with information for use in the development of their clearinghouse, and will assist CanLearn in the further development of the adult learning planning tool.

Training

Of the 37 organizations (including the union locals added) responding, 23 offered workplace based training. Nine said that they were not directly involved, but that some of their smaller locals were.

As mentioned, the areas that were included for workplace training were: basic skills (such as literacy, English/French as a second language, computer training); employment services (counselling and upgrading of skills); and, apprenticeships.

Of these 23 organizations, 16 offered basic skills, 18 offered employment services, and nine were involved in apprenticeships.

Basic Skills – In this category, literacy, numeracy, communication skills, second language skills, and programs helping members obtain their secondary school equivalency, were the predominant programs offered. Some unions also offered courses to members on how to cope with the changing workplaces of today.

Employment Services – The results of this question are divided into two categories: the acquisition of skills

related to current work, and the skills needed to ensure employability. It was primarily unions and locals who were active in this type of education. For example, Local 562 of the Sheet Metal Workers' International Association offered members courses in maneuvering large trucks, and in the use of propane gas on construction sites. The Carpentry Training Trustfund of Manitoba offered courses in scaffolding and the installation of large doors in commercial and industrial buildings. The International Association of Machinists and Aerospace Workers – Quebec provided courses on new work technologies.

Because of restructuring in many of Canada's industries and governments over the past years, some labour organizations have implemented courses to help members maintain job security, and to find work when laid off. United Food and Commercial Workers International Union, the Ontario Secondary School Teachers' Federation, and the Public Service Alliance of Canada are examples of unions who have implemented such courses for their members.

Apprenticeships – Although unions are not the only organizations involved in apprenticeship, there are some good examples of such programs.

The Graphic Communications International Union controls their apprenticeship program, with the government offering a certificate for the profession. The Canadian Union of Postal Workers, in collaboration with Canada Post, offers two apprenticeship programs, one in automobile mechanics (taken at the college, secondary school or provincial apprenticeship program), and the other a program in electromechanics offered at George Brown College in Toronto.

Training Centres

Twenty respondent organizations noted that they had one or more training centres.

Local 175 of the United Food and Commercial Workers International Union (UFCW) has a training centre in Mississauga, Ontario, that is funded by employers. Employers contribute to a training fund, and it is for the use of all members of the Local. However, with a territory as large as the province of Ontario, Local 175 has put in place a mobile information lab that offers training to members outside of Mississauga. The use of a mobile training lab has also been adopted by Local 488 of Alberta Union of Public Employees to provide workplace based training to their members in Northern Alberta and the North West Territories.

Who Delivers the Training?

This question was asked in order to determine whether the training is provided by the union or through public or private institutions. The term ‘private institutions’ was defined as organizations typically operating for profit; public institutions also charged fees but were not for profit and included schools, colleges, CEGEPS, universities, voluntary organizations and other unions.

Of the 25 responding to this question, 17 said that they never used private institutions; of the remaining eight, three used private institutions for less than 10 per cent of their training, 4 did not know the proportion, and only one (1) used private institutions for the majority of their training. Reasons given for utilizing private institutions were the need for specialized training, second language instruction, and for specialists in organization of work and work research.

Twenty (20) respondents utilized public institutions, with four using them less than 25 per cent of the time, and 7 using them between 75 per cent and 100 per cent of the time. Community colleges were the most utilized by organized labour, and in some cases, colleges developed programs specifically to

meet the needs of union members. Some unions also had similar arrangements with universities and secondary schools.

As expected, unions themselves provide most of the workplace based training to their members. Members, former members, and union employees all contribute to such training programs. Their understanding of specialized techniques, general knowledge of particular industrial sectors, and their understanding of the memberships’ needs all contribute to making them ideal educators and resources for their members. The system of peer instruction support has also been considerably expanded and utilized by unions.

Conclusion

The importance of union participation in the provision of workplace based training was certainly supported by the results of this general study. However, it is clear that there needs to be further research in order to more clearly document the number of type of program offerings by unions. Gaining awareness of union knowledge and capacity in the area of workplace training will be of value, both to policy makers and the unions themselves.

List of Major Study Participants

Amalgamated Transit Union.	National Union of Public and General Employees.
Communications, Energy and Paperworkers Union of Canada.	Public Service Alliance of Canada.
Canadian Union of Public Employees.	Service Employees International Union.
Graphic Communications International Union.	United Food and Commercial Workers International Union, Local 175.
Hotel Employees and Restaurant Employees International Union.	Union of Needletrades, Industrial and Textile Employees.
International Association of Machinists and Aerospace Workers.	Alberta Federation of Labour.
International Brotherhood of Electrical Workers.	British Columbia Federation of Labour.
Laborers’ International Union of North America.	Quebec Federation of Labour.
National Federation of Nurses’ Unions.	Manitoba Federation of Labour.
	New Brunswick Federation of Labour.

Newfoundland and Labrador Federation of Labour.

Northwest Territories Federation of Labour.

Ontario Federation of Labour.

Yukon Federation of Labour.

Ontario Sheet Metal Workers' International Association.

United Brotherhood of Carpenters and Joiners of America.

United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, Local 488.

Confédération des syndicats nationaux.

Sheet Metal Workers' International Association Local 562.

United Steelworkers of America.

Union Sponsored Workplace Training Study – Questionnaire

1.
 - (a) Does your national office/federation offer workplace based training?
 - (b) Does your union/federation have a training centre (how many, where, method of operation?)
 - (c) Do any of your programs fall into one of the three categories, or another we have not noted?
(**Basic Skills – examples:** *literacy, numeracy, English/French as a second language, computer training; Employment Services – counselling, upgrading of skills; Apprenticeships*)
 - (d) Could you give the broad subject areas of the training?
2. Could you provide a brief description of the course(s) sponsored by your union/federation's national office?
3. Approximately how many of your members have taken advantage of these courses over the past two years?
4.
 - (a) What percentage of your programs is delivered by private institutions? (private institutions were defined as for-profit)
 - (b) What percentage is delivered by public institutions (defined as not-for-profit)?
 - (c) What percentage is delivered by union/federation staff
5. Do you have a Director of Training, or have staff assigned to training?
6. To your knowledge, do any of your locals/affiliated unions offer workplace based training? If yes, could you please provide their names and contact information?
7. Do you have a Web Site? If yes – does your Web Site provide information about the workplace training that you sponsor? What type of information is provided? If no – has your union/federation considered having a Web Site? What have been the barriers to establishing a Web Site?

CANLEARN INTERACTIVE AND ITS IMPLICATIONS FOR WORKPLACE

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There is a growing recognition that access to learning opportunities continuously throughout one's working life is the key to improved Canadian prosperity and worker job security. Repeatedly in surveys of both employers and unions, as well as in strategic consultations such as Industry Canada's Information Highway Advisory Council, the one area of agreement between both sectors is that the workforce must be well trained to meet the changing needs of the workplace.

For the past year, Human Resources Development Canada (HRDC) has been developing an Internet-based resource for learning information, products and services called CanLearn Interactive (CanLearn). Available in the fall of 1999, CanLearn is designed to assist Canadians make informed decisions in planning and pursuing their learning and career goals. Inherent in CanLearn's objective is the need to support the development of a highly skilled and flexible Canadian labour force capable of meeting the demands of the 21st century.

In developing CanLearn, particular attention is being paid to several target populations:

- adult workers,
- youth, ages 10-18,
- young adults attending/applying for Post-Secondary Education,
- parents of school-aged children,
- post-graduation students with debt,
- international students,
- guidance workers and professionals.

How CanLearn Interactive Will Work

CanLearn is being designed to ensure ease in accessing information over the Internet. In particular, attention is being paid to ensure that users can easily move through the various components and tools of CanLearn.

The CanLearn *working site map* offers four major components: the Help Desk, the Clearinghouse, the Application Centre and the Café. (See Working Site Map at the end of this article.)

The Help Desk includes two distinct types of planning tools: Learning Planning Tools and Financial Planning Tools. These tools will guide users along a path from self-assessment and the identification of learning opportunities through to financial planning and management.

Canada has multiple jurisdictions with responsibilities related to learning, training and education, and readers can become confused and frustrated when considering and comparing opportunities for learning from province to province. When looking to finance learning and education opportunities, Canadians are faced with the additional challenge of searching for suitable methods of financing. The *Help Desk* has been designed to present the Financial Planning Tools in a clear and user-friendly interface.

The *Help Desk* will also provide interactive tools to help learners develop long range learning and financial strategies. Learners will be able to follow a logical sequence of information in an interactive format in order to create their own personalized plans for learning and the financing of learning. These strategic financial tools will assist adults making the transition between work and school, students making the transition between secondary and post-secondary learning, parents planning for their child's future, and post-graduation debt management.

CanLearn's *Clearinghouse* will offer learners information about learning opportunities throughout Canada, scholarships and bursaries available, accessibility information on Canadian colleges and universities for learners with disabilities, and a directory of Canadian learning and education-related Websites. As the site develops over the next three years, the Clearinghouse will continue to provide learners with simplified access to existing on-line Canadian learning, training and education information resources.

The CanLearn **Interactive Application Centre** will provide access to on-line applications to Canadian colleges and universities, government financial assistance programs for students, and scholarships and bursaries. This component will make the application process both easier for the learner, and more efficient for the provider.

The fourth component, **The Café**, is being designed as a public forum for information sharing among learners, learning providers and learning opportunities. Readers will have the opportunity, via a 'chat-line' format, to exchange personal experiences, share learning and financial planning strategies, and from time to time become participants in moderated on-line conferences.

CanLearn itself will continue to evolve as workers and employers offer further ideas to strengthen each of the four components.

Meeting the Needs of Adult Workers

While CanLearn will be freely accessible to everyone, it is dependent on access to an internet linked computer, and the user's comfort and skill in using a computer. In developing CanLearn, particular attention has been paid to the issue of accessibility and the unique needs of adult workers as learners.

Two mechanisms have been used to review/develop CanLearn's capacity to serve as an adult learning tool: the CanLearn Reference Group, and consultations with organized labour and employers.

The CanLearn Reference Group was established in 1998 to guide CanLearn's development, to ensure information exchange and partnership, and to provide for ease in accessing provincial resources. The members are representatives of key national organizations in education and learning issues and related sectors, concerned with worker security, and the productivity of Canadian industry. Members include the Conference Board of Canada, the Canadian Labour Congress, the Canadian Association for Distance Education and the Canadian Bankers' Association.

Two consultations have taken place that are pertinent to the issue of adult workers. The first was with

organized labour representatives, and the second with both organized labour and employer representatives.

CanLearn Consultation with Organized Labour

In March 1998, a consultation was held with representatives of organized labour, to present the CanLearn model and receive reactions. Recommendations centred around two major themes: making the site more useful, and applying CanLearn in worksites.

In order to make the site more useful and relevant to adult workers, it was recommended that the site needed to provide more up to date and relevant information on professional groups and occupations. Related to this issue was the need for workers to know the labour market potential for the occupation they were interested in pursuing. It was also suggested that there should be information on the accreditation of courses to be offered so that workers would know that they were taking legitimate courses, i.e., that they would know "what the piece of paper would be worth."

There was considerable discussion about the extent of unions' involvement in workplace learning: union members often don't know that their union is involved with education or offer financial support, or that their collective agreement may offer education and training opportunities. In some cases, members may only want to take jobs where they can maintain membership in the same union because of the support given. It was proposed that CanLearn be linked with the Canadian Labour Congress' workplace learning site, both for information and for financial support.¹

Although accessibility was also raised both as an issue for workers and as a societal/community issue, it was felt that many union members would increasingly be able to use this type of technology. For those in need, it was suggested that workers could discuss their literacy and numeracy concerns with a union representative.

In terms of partnership between unions and employers, some of the observations made were: union/management committees may make decisions about what learning courses will be made available to

¹ One of the results of this consultation was a joint project between Human Resources Development Canada and the Canadian Labour Congress to study the variety of union training opportunities and courses.

workers, yet the perceived learning needs may be quite different between the national and the floor levels; in some cases, members don't realize that they need training. Therefore, CanLearn would need to be promoted to as wide an audience as possible.

Perhaps the key point raised during this consultation was the potential for CanLearn to be used as a tool for collective learning (up to this point, CanLearn was seen as a tool to assist individuals). CanLearn, it was suggested, could be designed to:

- be used by education activists and union presidents for information and training of a union local;
- work to assess and respond to the broader learning needs of a group;
- to be used as a peer support tool in a group situation.

Alberta and NorthWest Territories Consultation

In Calgary, in January 1999, a consultation was held with 18 union and management representatives of industries under federal jurisdiction in order to introduce CanLearn to get their viewpoint on its utility, to determine the best ways for marketing CanLearn, and to seek pilot testing opportunities at workplace sites.

There were many similar points raised in both consultations, particularly related to the need for labour market information on job trends, and the accreditation or quality of the courses listed. However, the main issue raised was the need for CanLearn to be regularly maintained and updated.

Several Consistent Points Were Raised in Both Discussion Groups

- CanLearn information has to be simple and user friendly;
- the quality, timeliness and standards of the information needs to be ensured;

- worksites' access to the technology such as CanLearn is a problem, particularly for:
 - workers in isolated areas,
 - a mobile workforce, such as workers in the transportation industry,
 - off-site workers;
- CanLearn can be an empowerment tool for workers;
- CanLearn can be good for assisting people shift careers, for career tracking and planning, for identifying skills needed, and for adding to a worker's current skills;
- CanLearn can increase the awareness of learning opportunities, especially for Human Resource staff, for those in occupations in decline, for people who have become disabled;
- CanLearn can be a useful tool for those with disabilities, in Aboriginal communities, or the poor.

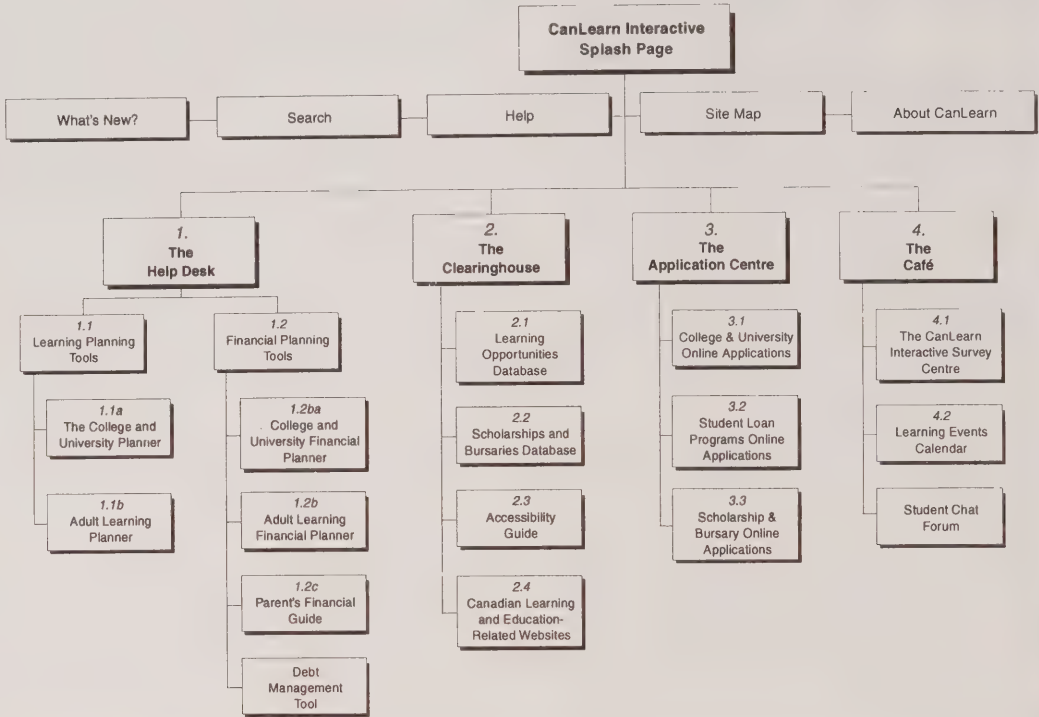
Next Steps For CanLearn

Building on the Alberta and North West Territories consultation, it is hoped that a series of pilot tests will take place during the spring and summer of 1999. Both unions and employer representatives will discuss the CanLearn project potential in their worksites. In the meantime, CanLearn is still being fine tuned for its introduction in the Fall of 1999.

It is essential for CanLearn to be a trusted and useable tool for workplace learners. Based on suggestions from workers and employers, CanLearn is already being changed in two ways: to set up a Workplace Learning Subcommittee to further guide the development of the Adult Learning Planner and the Adult Learning Financial Planner, as well as other relevant components of the site; and to further develop The Café.

The Café will offer two primary opportunities for adult learners: for Canadian workers to share information and mutual support as they plan and implement a learning plan; and, the opportunity for unions, employers, and professional educators to engage in Internet conference fora to discuss specific themes.

CanLearn Interactive Working Site Map



If you would like more information on CanLearn Interactive, or would like to apply to test the site, contact either:

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NEW STRATEGIES FOR WORKPLACE LEARNING

John Vekar

for Jill Webber Hrabinsky, Communications Manager

TeleLearning Network of Centres of Excellence

Office of Learning Technologies, Human Resources Development Canada

Whether you're in a corporate environment or self-employed, a social worker in Northern Ontario or a machine operator in a plastics factory, chances are technologies are affecting not only the way you do your work, but the way you acquire new skills or upgrade existing ones. With ongoing evolutions in the workplace, Canadians are finding they need to keep abreast of new developments. Using technologies for workplace learning is attracting growing attention in all sectors.

Two organizations are supporting efforts by business, industry and academia to design effective approaches to workplace learning. The Office of Learning Technologies, a division of the Learning and Literacy Directorate within Human Resources Development Canada, and the Telelearning Network of Centres of Excellence fund and oversee programs aimed at helping Canadians use new technologies effectively in lifelong learning. Workplace training is just one of the goals they support in their over 160 projects across the country. With joint public and private sector funding and academic partnerships, projects in workplaces throughout the country are illustrating approaches on how to match learners with resources and communication tools designed to meet their learning needs. Through controlled experiments, on-the-job trials and collected wisdom, innovators in workplace learning are expanding their understanding of how to design effective learning technology tools for the workplace which support the needs of adult learners.

Individualized Approaches to Learning

"The learning process is basically a personal construction," according to Dr. Lise Parent, who works with Télé-université in Montréal. In addition to providing quality content in learning materials, Dr. Parent believes it is important to "empower subjects with the ability to adapt the material to their own learning needs" and adopt learning paths that suit their personal learning style. Dr. Parent is working to achieve that goal in an Office of Learning Technologies-sponsored project that deals with ISO 14000 environmental standards. Her industrial partner, a printed circuit board manufacturer with 800 employees, now has 20 employees signed

up for an initial trial to explore this approach.

A similar philosophy is at work in the British Columbia Construction Industry Skills Improvement Council, which believes that tailoring learning technologies to individual and organizational contexts is crucial. "Sometimes there's concern about what the software developers may deliver," says Jim Lippert, Executive Director. With industry- and Office of Learning Technologies-funded training components for professional painters and other skilled trades people now being developed, the Council wants to ensure that programs are written with content experts involved from the outset through to completion.

Meeting the unique needs of learners in the workplace is also a key issue for Bell Canada. Bell is a fee-paying member of the TeleLearning Network of Centres of Excellence, keeping it abreast of developments in technology and pedagogy. Don MacNeil, Associate Director of Business Development finds that using research results can help determine alternatives for designing training sensitive to particular contexts. "We've seen and used a lot of research from the academic environment," MacNeil says.

Building New Levels of Competency

Bell also plans to expand its online offerings beyond technical courses on broadband services, to include 'soft skill' areas such as leadership, sales and business skills, and office technology courses. The ambitious agenda involves mapping out job competencies with their Human Resources unit, building the courses, enabling employees to sign up, and eventually creating an accreditation process, says Stephen Harris, who works with Bell Learning Solutions.

"If you can show human resource directors that you've got solid instructional design, cost savings, and that the employees are going to reach new levels of competency, you've got a winner on your hands," says Harris.

Malcolm Roberts and his colleagues at the Bank of Montreal's Institute for Learning are also helping

employees acquire 'soft skills', using an array of learning technologies, including components of software for online learning developed within the TeleLearning Network of Centres of Excellence. However, for sales skills, Roberts' chose CD-ROM. "The fundamental conversation [in financial services] is a sales conversation. Interpersonal skills are best developed through a modeling of these roles".

To achieve this goal, the Institute for Learning developed a CD-ROM called *The Quest/Le Savoir*. "One of the key factors was that we put the learner in an active mode, emulating the sales environment, being in the hot seat," says Roberts. The aim was to simulate the environmental and behavioral conditions that the individual would face on a daily basis.

Developing Peer Learning Opportunities

In some situations, learners may need quick access to information, or to the people who possess it. Jim Greer, Gordon McCalla, Julita Vassileva and Ralph Deters are collaborators in the ARIES lab at the University of Saskatchewan on a TeleLearning Network of Centres of Excellence-funded project designed to explore this need. If their project is successful, it may trigger a revolution in how people in large organizations learn from each other.

Their prototype, I-HELP, is a system for peer learning. It offers support to those seeking answers and those providing them. Currently being tested in a university-level JAVA programming course, I-HELP can post users' questions, coordinate questions and responses, recommend suitable online helpers, and log user profiles to determine who may be the best helper in a particular situation. The system also guards against burnout on the part of the most knowledgeable and helpful persons, by allowing them to set threshold levels and restrict their availability to certain individuals. Dr. Greer says I-HELP is "a step beyond turning to your work-mate in the next office, who may or may not be able to provide you with the help you need." He is excited by the possibility of making AI [Artificial Intelligence] technology really work in a large-scale system with hundreds or even thousands of people. I-HELP could advance understanding of how peer help increases learning, both for those seeking assistance and those who answer the call, especially when demands on the latter are moderated and distributed among a larger group.

By definition, technology embodies human ingenuity. I-HELP's particular slant is to marry technology's ability

to streamline, filter and facilitate with the ability of humans to synthesize information into knowledge and skills ready to be used for a variety of purposes in their lives. In Dr. Greer's view, the potential for improving levels of competence across-the-board is significant.

Shortening the Learning Cycle

One Office of Learning Technologies-sponsored project is taking learning technologies out on the shop floor. With Office of Learning Technologies and industrial support, Dave Alcock, General Manager of the Humber College Canadian Plastics Training Centre in Toronto, is developing an interactive training program that has had encouraging results, including shortening the length of time required for training.

Fabricating a plastic part through injection moulding involves electrical, hydraulic and mechanical systems, with various plastics being handled under different pressures, speeds and temperatures. In conjunction with industrial partners, Husky Injection Moulding and Atlantis Aerospace, Alcock's group took a five-day program dealing with machine start-up, shutdown and safety procedures, and created a day-long interactive training session. With 40 people and a dozen companies participating, Alcock formed an experimental group to receive interactive CD-ROM training. Their first interaction with a machine came at exam time. Meanwhile, a control group received five days of traditional training. While the interactive group's results did not match those of the control group, "they still got good results," says Alcock. He believes that familiarizing the experimental group with the machine prior to the interactive training would have boosted their results significantly.

Alcock is encouraged by the outcome of the field trial. "This training can be highly effective, and it shortens the learning cycle." The program proved popular, too. "It was designed for entry-level employees, but managers and technical personnel took an interest in it as well."

Bell Canada has also found learning time is being shortened through courses delivered via Bell's intranet. Don MacNeil reports that "instead of doing a course in three days you can do it in one" and employees also enjoy greater flexibility in training schedules. MacNeil also believes retention rates are higher because of the interactive nature of the training.

Creating Learning Communities

On a broader level, Dr. Tom Carey of the Universities of Waterloo and Guelph, a co-leader of the TeleLearning Network of Centres of Excellence's research theme on workplace learning, is exploring the potential of building 'communities of practice' that bring together groups of professionals to act as a learning community. These distributed communities share professional interests, and a need to keep up-to-date in a rapidly changing environment. They do so by learning from each other.

"Individuals working in small-and-medium-sized enterprises, on their own, or seeking new skills to upgrade or retool – all these groups are disadvantaged compared to professionals working in large firms which have a critical mass of people who can maintain an internal community," says Dr. Carey. In bringing these groups together online, Dr. Carey is trying to create a level technological playing field, aware that varying degrees of network access can make a big difference in performance and user satisfaction. However, Dr. Carey notes "the biggest challenge is creating an engaging experience to compete with the production demands of work."

Participants in a recent pilot study "appreciated the chance to interact with their peers at other firms in a distributed session, and to then be able to discuss the topics in their local setting to see how to apply the ideas in their own work," says Dr. Carey.

Although learning technology is sometimes thought of as a repository of 'canned' resources with multimedia bells and whistles, Dr. Carey's project opens the door to a far more intriguing possibility – conveying information while serving as a catalyst for focusing learning long after the computer is switched off. Ideally, this model of interaction deepens the knowledge and understanding of community members over brief or extended periods of time, depending on the nature of what is being learned.

The Importance of a Learning Culture

For some, the ultimate success of learning technologies depends on "the corporate culture around learning," according to Steve Hicks, President of Ottawa-based Trican Multimedia Solutions. Hicks' company develops and adapts courses for Internet and CD-ROM delivery and is currently involved in an Office of Learning Technologies-sponsored project to provide training to social workers in remote aboriginal communities. He plans to use Internet newsgroups and chat groups in the course, and to apply lessons he has learned in delivering training in the private sector.

Hicks believes that "it's not only having rewards for lifelong learning – that's just part of it. It's also recognition that learning on CD-ROM or on the Internet is learning, not just playing around. In high-tech companies, that's accepted." Elsewhere, he believes, learning cultures which embrace the use of technologies are now quickly consolidating and gathering momentum.

The Bottom Line

According to those involved in the many workplace learning projects taking place throughout the country, building skills, imparting knowledge and supporting the development of connections between people are among the indicators of effective use of technologies for learning. Experience suggests that obtaining solid results often depend on the type of communication or interaction model chosen, with meticulous attention to content and instructional design. Successful pioneers – those trainers, researchers, developers and industry participants who are revolutionizing their particular corners of the world – need to be careful listeners and observers, and perceptive analysts, attuned to the fit between technology, learning needs, and people. With assistance from the TeleLearning Network of Centres of Excellence and the Office of Learning Technologies, the approaches are being carefully refined even as the impact of these innovators is rapidly expanding.

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USING TECHNOLOGIES FOR WORKPLACE: A WIN-WIN APPROACH TO REMAINING COMPETITIVE

Rose Simpson
Independent Author

In a lodge in Alberta's Waterton Lake National Park, Leslie Muza is always trying to keep one step ahead of the challenges of running a tourism business in a remote area. One way she has found to improve service is to keep knowledgeable staff coming back year after year.

"Our rate of return for seasonal employees is relatively high, with some of our students coming back for four and five years," says Muza, who owns the Kilmorey Lodge with her husband Gerry. "You have to pay for high quality training and we've made a commitment to do that because the pay-off is worth it."

Employee training at Kilmorey involves more than instruction in the art of choosing a fine wine. It includes classroom courses using a facilitator and a CD-ROM-based program. It also means making sure her general manager knows the latest approaches to marketing over the Internet.

Like many business owners, Muza recognizes that learning doesn't stop in the classroom. It's lifelong and can be delivered in many ways – over the Internet, through videoconferencing and by using audio and video tapes.

Throughout Canada, companies are increasingly finding that their ability to remain competitive and to retain good employees rests on how well they can provide learning opportunities to challenge employees and help them capitalize on their potential.

Results of a 1998 survey of 700 Canadian companies indicate that 74 per cent sponsor or provide either formal or informal training. This survey is part of a report prepared by Ekos Research Associates Inc., and Lyndsay Green & Associates for the Office of Learning Technologies (OLT), a division of the Learning and Literacy Directorate within Human Resources Development Canada, to examine the impact of

technologies on learning in the workplace. While the majority still look to traditional avenues to upgrade worker skills and expertise, a percentage are using some of the many technologies now available to support workplace learning. Some 69 per cent of the companies surveyed indicated that workers had access to personal computers, with 19 per cent using technology-based solutions in their learning environment.

Fundy Computer Services Inc., in New Brunswick, relies heavily on learning technologies in an effort to stay current in a rapidly-changing technological environment. Fundy, which was founded in 1975 as a network dealer for one company, has diversified to take on many other network and computer integration systems.

The challenge for this company, which employs workers in five offices, is to ensure technicians receive certification at varying levels of expertise. That means instituting a structured in-house training program with a combination of books, CD-ROMs and Internet to ensure employees are up to speed on the latest technological innovations, without having to travel to off-site courses. Over the past year, Fundy estimates it has spent some \$30,000 on training materials and courses – not counting wages.

Vancouver City Savings Credit Union, Canada's largest credit union, is using technology to improve its relationships with depositors. VanCity established learning centres in each branch, where employees can pursue self-directed learning using CD-ROM and computer-based courses, self-directed videos and workbooks, supported by facilitated learning sessions.

"This approach benefits VanCity because the courses are custom-designed for our work environment," says learning centre coach and financial service officer George Greenwood. "It also lets employees like me pursue certification that is important for my career development."

The survey shows that among the companies that provided training, the greatest users of technologies for workplace learning are medium-sized businesses. Some 40 per cent of medium-sized businesses use technologies for learning, compared with 31 per cent of large businesses and 13 per cent of small business.

The survey also found that training using technologies is largely undertaken by higher skilled employees, including management (82 per cent), technical staff (64 per cent), skilled workers (61 per cent) and professional staff (46 per cent). Learning technologies are being used primarily to provide these employees with personal and desktop computer skills, professional and technical skills, management skills, computer training for other types of new technologies and orientation.

Employees indicated that training opportunities delivered over the Internet and by other technologies provide added stimulus in the workplace – an important consideration in work areas that have difficulty attracting and keeping good employees. Using technologies for workplace learning can also be a recruiting tool for companies trying to recruit workers to rural and remote communities. Workers may be attracted to companies in smaller centres if they know skills upgrading is available.

Northland Trucks Ltd. is a privately-owned and operated international truck dealership that sells, leases and services transport trucks and other heavy machinery in the small community of Prince Albert, Saskatchewan. Northland became concerned that it would have difficulty attracting young workers to a career in heavy mechanics. It was also looking towards the transition from mechanical to electrical components. The company uses in-house training as well as mobile-unit based training using a video library and CD-ROM technology to complement its current off-site training sessions. Learning technologies have become an integral part of the company's effort to provide information for technicians, who need to keep abreast of new products and information on servicing equipment.

Some companies are embracing learning technologies wholeheartedly. Some 12 per cent of the companies surveyed have established on-site learning centres. Janssen-Ortho, a subsidiary of Johnson & Johnson, has five dedicated rooms, including satellite receiving facilities. Last year, the centre offered 38 different training programs.

Christine Robeson, a senior medical associate at Janssen-Ortho Inc., has taken a range of training in her six years with the company: "This company has always offered a lot of training opportunities and I find they are getting better at focusing on training that is directly applicable for one's job. Accommodating all employees in workplace-relevant training is a tremendous challenge in a company where there is a huge variety of jobs."

VanCity is just launching its learning centres and is focussing on employee awareness. Each centre will have an official opening, complete with ribbon cutting and a cake.

"We're trying to create excitement around the Learning Centre. We have some fun contests and giveaways of mouse pads, key chains and t-shirts. We're offering prizes for the branch staff who are using creative and innovating ways to learn with Learning Centre resources," says training consultant Laura Carter.

In the future, the use of learning technologies in the workplace will depend on a number of factors, according to the report. Many businesses are waiting for the cost to drop, particularly relating to software, and for advances and improvement of digital networks and servers. They are also waiting for an increased availability of off-the-shelf training products, increased expertise in the training community, and adoption by external suppliers of delivery methods using learning technologies.

Another key factor for many businesses, particularly those with ISO requirements to meet, is the development of standards and means of certification for many courses. One of the ways this can be achieved is through involvement of professional associations, which can determine standards for their industries. Over one-half of the surveyed respondents indicated that they would be more willing to invest in learning technologies if training were endorsed by a trusted professional organization.

For further information on this report or to research information on using technologies for learning in the workplace, please visit the:

Office of Learning Technologies Web Site at
<http://olt-bta.hrdc-drhc.gc.ca>

"BUSINESS BASICS FOR THE WORKPLACE" A PRACTICAL APPROACH TO WORKPLACE LEARNING

The Conference Board of Canada

Business Basics for the Workplace is a comprehensive business education training program designed to increase participants' knowledge of basic business concepts.

The program consists of an overview introduction, a participant workbook and a facilitator instruction guide, all of which are available on the Conference Board Web Site (<http://www.conferenceboard.ca/busbasics>) and can be downloaded free of charge.

Improving business literacy among employees can enhance an organization's overall competitiveness. But few organizations recognize the short- and long-term benefits of providing all employees with the fundamentals of business training. These organizations may be missing an opportunity.

Business Basics for the Workplace was developed by representatives from both labour and management organizations, as well as subject matter experts. Survey findings from 84 Conference Board member organizations provided additional data. The project was initiated and carried out by The Conference Board of Canada with the financial assistance of the Government of Canada's Labour-Management Partnerships Program. This project was initiated in the belief that the viability and competitiveness of organizations can be significantly improved when everyone has a better understanding of the business economic factors that affect them.

The workshop materials are non-proprietary, widely accessible, and intended to serve the needs of all stakeholders. The program is designed as a series of modules that will provide employees with the basic skills necessary to better understand their business and to become aware of their value to the organization. Finally, the program is appropriate for use in any workplace, whether unionized or not.

In essence, the program is intended to provide participants with a better understanding of basic business concepts by addressing the following questions:

- How do changes in the economy have an impact on business?
- How are business decisions made?
- How do you interpret basic financial information?

Business Basics for the Workplace places considerable emphasis on providing training to a cross-section of employees, including managers and supervisors, in small groups of 20 to 30 participants. This format allows the facilitator to draw upon the experience of the group and provides the greatest opportunity for employees to apply the knowledge they already have and to learn from each other.

The Program encourages high levels of involvement by corporate staff – who have special expertise in finance as well as sales and marketing – in delivering workshops. These individuals are most capable of explaining the organization's business environment and delivering the "numbers." The use of external facilitation is not necessary for the success of this program, as long as suitable internal resources are available. Instructors or facilitators who "know" the organization may be best able to deliver the Program effectively, although they may require some training in the subject area.

This workshop format differs in some important respects from the "typical" format. First, the workshop includes a module that focuses on developing a general understanding of the economy. Second, the workshop is intended to be a guide rather than a strict curriculum. Organizations are encouraged to adapt the Program in terms of both substance and approach, without fear of violating copyright, to meet their specific needs. Finally, the materials are generic in nature, and employers must provide the necessary organizational focus to ensure meaningful results.

EMPLOYEE TRAINING IN CANADA: WHERE DO WE STAND?

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There have been many position papers¹ and other publications² written on business innovations and enhancing the competitiveness of the Canadian economy. The following were some of the main keys to success identified in these publications: innovation, product quality, dissemination of technology, new forms of work organization (semi-autonomous groups, participation schemes, quality management and so on), as well as worker training.

1— Training: A Must for a Competitive Economy

Canadian companies give fewer hours of training than companies in such countries as Germany, Sweden and Japan. Yet the Organization for Economic Cooperation and Development (OECD), along with many specialists in innovation and human resources, stresses the importance of training in developing a competitive economy producing high value-added products, and thus making high salary levels and a good quality of life possible.

Canada and the United States are rather well known for the flexibility of their labour market, the standardization of their jobs, low qualifications and low level of employer investment in worker training. It appears that this model, which is focussed on a traditional management approach and fosters job insecurity, is the complete opposite of what we need if we are to have a competitive economy, while at the same time paying workers a decent wage.³ The growing concern about how little training is being

provided by employers has prompted Human Resources Development Canada and Emploi-Québec to research this issue. This is also why Emploi-Québec has steered the passage of legislation to encourage employers to provide workers with more training. It will, of course, take a number of years before the impact of this legislation is felt, but let us examine the present situation in Canada and in the province of Quebec.

This text begins with some general information on workplace training in Canada, gathered in recent surveys (Human Resources Development Canada, Ekos, etc.) in order to present an overview of the situation. It then moves on to address the findings of one of our own surveys on work organization and skills training. These tend to indicate that training in Canada is more often given on the job, using work organization methods focussing on informal skills development. Comparisons with other countries, which are more often focussed on structured training programs and specific

¹ For example, recent papers by the Conseil de la science et de la technologie (1998), *L'entreprise innovante au Québec: les clés du succès*; *Des formations pour une société de l'innovation*, or the annual report of the Conseil supérieur de l'éducation. See also publications by the OECD, the Ekos firm and many others.

² See, among others, D.-G. Tremblay (1997, editor), *Formation et compétitivité économique; perspectives internationales* (Montreal: Éd. St-Martin) and OECD (1996), *Economie et éducation*. (Paris: OECD).

³ This article is based on D.-G. Tremblay and D. Rolland (1998), *Gestion des ressources humaines; typologies et comparaisons internationales* (Quebec City: Télé-université and Presses de l'université du Québec).

investments in this area, might therefore be misleading; at any rate, the data presented here encourage further reflection on methods of measuring worker training and on how work organization methods can contribute to enhancing worker skills. In fact, while different types of training and work organization can enhance employee qualifications, these choices are always linked to human resource management strategies and sometimes to the organization's general strategies.

The Difficulty of Measurement

First of all, it must be acknowledged that it is very difficult to get an accurate picture of the level of training provided in Canadian workplaces and its quality in particular. According to some, training in Canada, including the province of Quebec is not as far behind as is claimed, and they fault the way international data are collected, since these are often not readily compared.⁴ This is the case in particular for unstructured training, "on-the-job training," which is the approach most often used in North America.

The very definition of the concept of training is, therefore, a highly complex one, and the various surveys can encompass a whole series of activities, ranging from a general introduction to the workplace and what the company does, to highly structured outside programs.⁵ We must therefore acknowledge the difficulty in measuring what training activities are in actual fact being delivered. It is all the more difficult to determine what the impact of these activities is on learners; the degree of retention and effective application of knowledge acquired in the workplace are measured even less often.⁶ The ultimate impact on the company's ability to be innovative and competitive is even more difficult to measure, although the majority of workers and businesses still agree that training always has a positive impact on productivity and the business' overall performance. There seems to be fairly general agreement, therefore, on the importance of training to innovation and implementation of the new human resource management model described as "high performance."

Both business strategy and human resource management strategy do, however, constitute choices that are specific to each company and even today, companies may vary very well, depending on their objective and target market, aim at low-cost mass production, while others will opt instead for a strategy of innovation and quality, and for making their product distinct. In the one case, there is a high probability that the human resource strategy will be characterized by job insecurity, low wages and not much investment in training, while in the other it is more likely to be characterized by job stability, good pay, worker involvement and considerable investment in all types of training. In fact, human resource practices in a way constitute *cohesive sets* of practices, as Table 1 illustrates. It reflects the outcome of a Canadian Human Resource Management practices survey, which included training.

Betcherman et al. (1994), the team at Ekos, attempted to assess the stage Canada has reached in its implementation of the "new human resource management model." Their research pinpointed three distinct models in Canada:

1. The **traditional** model, characterized by very few new management practices, which was found, it seems, in 70 per cent of companies in the sample.
2. The **participatory** model, used in only 18 per cent of companies.
3. The **incentive-based** model, based on new forms of pay, used in the remaining 12 per cent.

Table 1 summarizes the various models and indicates the importance of training in the new models. It must be pointed out that in North America, promotions within the company are sometimes also a training tool. This table offers a good illustration of the systemic character of human resource management, which no doubt explains in part why the traditional model is still firmly in place.

⁴ See D.-G. Tremblay and D. Rolland (1998).

⁵ See the article by De Broucker in D.-G. Tremblay (1997, editor).

⁶ We noted this from a series of interviews on this topic with a dozen companies. See the televised series *Formation et compétitivité économique*, part of Télé-université's course ECO 3004.

Table 1
Human Resource Management Models

	<u>Traditional</u>	<u>Participatory</u>	<u>Incentive</u>
Employee Participation	L	H	M
Task Reorganization	L	H	M
Merit Pay	L	M	H
Technical Training	L	H	H
Social Training	L	H	H
Internal Promotion	M	M	H
Promotion on Merit	L	L	H
Flextime	L	L	H
Family Benefits	L	H	H
High Employee Benefits	L	L	H
High Wages	M	L	H
Integration of Human Resources within company	L	H	H

Note: "H" indicates a relatively high incidence, "M" medium and "L" low.

Source: Betcherman *et al.*, 1994:61.

The Betcherman (1994) study can be compared with the findings of the joint Human Resources Development Canada and Quebec Labour Development Board⁷ study on the dissemination of human resource management practices in Quebec. Our own research and interviews in businesses (Tremblay and Rolland, 1996, 1996a) also provided us with data that confirmed the existence of these various models and practices, although not necessarily allowing us to match them with the Ekos findings, because there was not always a clear delineation between the various models, as we shall see in the second part of this text.

It is worthy of note that it is rare in Canada for human resource management functions to be formally recorded in writing: only 29 per cent of businesses had a section specifically dedicated to personnel management. Moreover, the Canadian survey indicates that specialized human resource units are,

in reality, rarely the ones to make decisions on the implementation of training programs, the creation of work teams, or salary issues; these are made at other levels.

Training in the Workplace

According to Dicks,⁸ the Canadian model of skills acquisition, which shapes employer and employee behaviour, is based on a degree of consensus on the following:

1. Job-related skills are embodied in the individual.
2. Efficiency is a matter of perfecting matches of these skills to tasks.
3. These skills are developed and allocated by perfect market mechanisms.

⁷ HRDC/SQDM (1996).

⁸ D.J. Dicks (1985), "Human Resources for the Information Economy", Canadian Vocational Journal, Vol. 21, No. 2, p. 18.

These three points show how little businesses invest in worker training. In this view, skills development is essentially the job of the education system and public investments in trade training; the employers' strategy is to compete with each other in trying to recruit the best person for a specific job. In a survey we carried out with the Montreal Chamber of Commerce,⁹ companies and individuals alike responded that training was primarily the individual's responsibility. We also determined that the bulk of employer-provided training was loosely structured and given on the job, in the workplace.

The Quebec Labour Development Board survey also indicates that the bulk of training (between 60 per cent and 80 per cent) is given in the workplace. According to the Ekos study,¹⁰ small and large companies invest the same amount proportionally in worker training. Larger employers, however, make more use of structured training. Since it is hard to assess on-the-job training with any accuracy, the figures available are generally for structured training programs. The estimate in this study was that approximately 20 per cent of companies had a training budget and approximately 15 per cent of these budgets were for structured training (as opposed to more informal on-the-job training).

The study is interesting in its differentiation in the approaches used for training depending on the sector involved. As Table 2 indicates, on-the-job training is the preferred approach in most companies.

It can be seen that few companies report that they give no training (an average of 20 per cent). These figures also confirm that the financial sector provides the most training, particularly workshops during work hours, compared to the manufacturing sector. On-the-job training is the most common approach in the manufacturing sector, as opposed to the financial and health care sectors.

An Industry Canada study assessed the time cost and direct expenditures in certain sectors and certain professions. This is of interest, since most surveys show whether or not a company provides training, not the amount invested in it, nor the target groups (new or established employees for instance). Table 3 shows that, in general, investments are not very large, and there is little variation in the cost for new hires or ongoing staff, except in the finance, transportation and medical services sectors. In the first two instances, direct expenditures for new hires are lower, while in the medical services sector the opposite is true.

Table 2
Employee Training Approaches, Quebec Companies, 1996

	Wood Products	Metal Products	Electrical and Electronic Products	Finance	Medical Services	All Sectors
	%	%	%	%	%	%
No training	16.4	15.4	5.6	1.1	11.6	20.0
On-the-job-training	74.7	74.2	81.7	68.5	51.1	63.1
Workshops during work hours	21.9	27.2	43.3	66.4	47.1	24.2
Workshops outside work hours	13.5	17.8	20.0	23.2	29.1	14.9
Unpaid courses	2.6	3.4	3.8	15.8	12.7	2.4
Paid courses	4.7	5.1	5.2	23.1	22.6	7.3
Course fees reimbursed	36.6	40.6	49.3	67.3	54.0	35.0

⁹ See Chapter 1 of Tremblay (1997), where some of the results of this survey are presented.

¹⁰ Betcherman *et al.* (1994), *The Canadian Workplace in Transition* (Kingston: Industrial Relations Centre Press/Queen's University), 142 pp.

Table 3
Training Cost Per Capita, 1995

Sector	Time Cost New Hires \$	Time Cost Ongoing Staff \$	Direct Expenditures New Hires \$	Direct Expenditures Ongoing Staff \$
Printing and Publishing	284.18	343.63	453.95	548.91
Machinery and Metal Products	283.70	343.05	457.10	552.72
Electrical and Electronic Products	308.40	372.92	455.45	550.73
Construction	253.27	343.18	246.29	333.73
Transportation	100.40	213.34	362.12	769.48
Wholesale	265.24	223.17	395.06	332.41
Retail	182.28	153.38	313.44	263.73
Finance, Insurance and Real Estate	148.13	356.73	256.10	616.72
Medical Services	674.48	324.22	1,010.90	485.93
Accommodation and Food	91.02	148.03	123.93	266.80
Engineers	543.89	1,003.62	972.10	1,793.75
Software and Computer Programmers	496.99	917.07	885.65	1,634.22
Elementary and Secondary Teachers	2,117.52	582.42	928.87	935.46

Source: Industry Canada, Market Assessment Study of New Media Learning Materials, Volume 2, March 1996.

More "Social" Skills Training?

The need for training has greatly increased as the use of computers has increased. The profile of employees receiving such training changed between 1980 and 1991. Initially, office workers received most of it, but today, executives, a larger proportion of professional staff, and a much greater number of employees in manufacturing and assembly are increasingly receiving training.¹¹

There is increasing emphasis on the importance of social skills to innovation and organizational performance. Betcherman *et al.* (1994:42) report that a sizeable proportion of training given by Canadian employers in general addressed aspects other than technical training. More important than the provision of technical skills, according to their survey, was

training in such "soft" skills as leadership, communication, group decision-making and team building.

Now, we move on to the findings of our own study, which build on some of the aspects addressed by the previous ones, particularly as far as measuring training and type of work organization are concerned.

2— Work Organization and Training in Canada: Survey Results

To determine the diffusion of the new training and skills model in Canada, we conducted a survey of the employment and work organization system to which some 100 companies responded¹². Our survey covered Japanese firms established in Canada, since Japanese

¹¹ Betcherman *et al.* (1994), p. 45.

¹² The survey had a response rate of approximately 17 per cent (depending on the subgroup). Details concerning methodology are available on request; we prepared a summary in the interest of brevity.

companies were considered to be more advanced in adopting the innovative training and skills model, and Canadian companies oriented toward quality or not oriented toward production quality. We wanted to find out whether the forms of work organization and training had been imported in the Japanese companies and whether they had been adopted in the Canadian companies. We also wanted to know how much influence the Japanese-style innovative organization, which has attracted much attention in recent years, had on Canadian companies. Our first hypothesis was that firms oriented toward total quality, and consequently displaying decentralized control, would show more similarities with the practices of the Japanese model, compared with a sample of firms exercising less decentralized quality control. The Japanese did not invent quality standards, but they introduced an important innovation: the decentralization of control. This implies, in our opinion, a new employment system management approach encompassing substantial training activities.¹³

In our mail survey to human resource directors, the first series of questions concerned the company's philosophy in relation to certain themes regarding human resource management functions. We identified the basic features of the so-called "American" and "Japanese" models and constructed a series of statements regarding human resource management designed to determine which statement best matched the management philosophy of the respondent companies. More specific and direct questions allowed us to determine the extent to which this philosophy was reflected in company practices and how close

the Canadian companies came to emulating it. Our first three questions were designed to determine the firms' preferences in terms of the employment relationship. Essentially, the questions were intended to force a choice between, on the one hand, a management philosophy focussed on the short-term and reliance on the external labour market and, on the other hand, a philosophy that may or may not be focussed on recognition of job-related training.

The answers to the first question concerning recruitment revealed that the Japanese companies have more of a tendency than the others to attach importance to the long-term development prospects of individuals, as opposed to their acquired knowledge. The three groups have about the same opinion of the importance of individuals being motivated. The quality-oriented companies feel that training and employee versatility – or internal flexibility – are more important and preferable to adjustment or numerical flexibility (layoffs, pay adjustments, etc). This suggests that these companies, more than others, have developed an internal labour market and are thus closer to the innovative model or the Japanese model. (See Table 4)

At this point, we found it difficult to see a clear tendency toward the typical Japanese model being mirrored in the management philosophy of Japanese companies established in Canada. Assuming a company's philosophy has an impact on practices, we might have expected a hybrid form of the Japanese model to be used by the companies in our three samples.

Table 4
Employment Management Philosophy and Importance of Training

	Traditional (n=46) %	Japanese (n=26) %	Quality (n=24) %
Recruitment: long-term outlook	59	77	61
Recruitment: motivation-training	76	73	71
Internal flexibility*	70	69	100

* p <0.01

¹³ Our survey was thus designed to see initially the extent to which Japanese companies established in Canada imported the type of human resource management characteristic of Japan. We compared these firms (26) to a sample (24) of Canadian firms reporting that they applied decentralized quality control within a total quality process. A residual sample (46) of firms, which were neither Japanese nor oriented toward this type of quality control and thus more likely to meet the more traditional profile, was also established.

We noted that, with a few slight differences, three quarters of the firms prefer to reduce the number of employees to deal with a change in demand rather than invest in training and research and development, as the Japanese or innovative companies traditionally do, or adjust compensation or work hours. (See Table 5)

Table 6 reports that quality-oriented companies demonstrate a greater preference for numerical flexibility by resorting more to layoffs than the others; as a rule, it is agreed that this practice is generally not compatible with investments in skills training and a work organization focussed on innovation and quality.

The strategy used by the companies to increase their competitiveness varies depending on whether it is based on equipment or technology, or on the quality of the labour force. We saw that quality-oriented firms focus more on a change in the equipment used to give them an edge in the race for productivity. While they say they have made more changes in the organization of work, they have not insisted on an improvement in skills any more than any others. The companies in the three groups do not really differ in their strategy for increasing productivity, except in the case of quality-oriented companies where equipment modernization is given priority. We noted, however, that a number of them indicated that an increase in training is used to raise productivity. (See Table 7)

Table 5
Preferred Form of Cutbacks When Demand is Reduced

	<u>Traditional</u> %	<u>Japanese</u> %	<u>Quality</u> %
Reduce profits	33	35	33
Reduce managers' salaries	24	8	4
Impose vacations	0	4	17
Reduce hours of work*	48	8	29
Reduce employees' salaries	15	4	13
Reduce number of employees	78	73	75

* p < 0.01

Table 6
Recent Practices in Management of the Employment Relationship

	<u>Traditional</u> %	<u>Japanese</u> %	<u>Quality</u> %
Layoffs	50	46	58

Table 7
Actions to Increase Productivity

	<u>Traditional</u> %	<u>Japanese</u> %	<u>Quality</u> %
Increase in number of hours of use	26	42	50
Change in equipment	70	69	83
Change in work organization	61	69	71
Increase in training	76	69	75

As we mentioned above, however, work organization is increasingly regarded as an important source of employee training; team work or group work is viewed as being able to contribute to the development of skills. We thus asked about the main innovations introduced in this area. More than the others, the quality-oriented companies showed a preference for multi-skilling and job rotation. This is promoted by greater use of work teams facilitating the establishment of quality circles. (See Table 8)

In terms of direct training, quality-oriented companies are more likely to have a training program, but it is geared more to the orientation of new employees. On the whole, the reasons for training seem to be related more to relatively short-term technological requirements. (See Tables 9 and 10)

The reasons that companies do not provide training clearly appear related to cost in the case of non-quality-

oriented firms. The average size of these companies is smaller than those in the other two samples. The reasons given by the group as a whole, however, are related more to the fact that there are few staff assigned to this function and little time allotted. It should be noted that very few companies seem to fear losing trained staff, while this reason is often given as a traditional disincentive to training in the North American context, where resorting to the external labour market is more common. (See Table 11)

As we mentioned, one of the advantages of developing skills is the greater opportunity to take part in a process of continually improving production processes. We asked the companies whether employees made suggestions of interest to the company, whether they were consulted about equipment changes, whether employees took part in decisions concerning production, and whether there was a procedure supporting a continuous improvement process. More

Table 8
Type of Change Made in Work Organization

	<u>Traditional</u> %	<u>Japanese</u> %	<u>Quality</u> %
Job enlargement	46	46	50
Job enrichment	37	31	54
Multi-skilling	52	62	79
Rotation*	24	35	58
Quality circles*	26	19	54
QWL groups	13	8	17
Semi-autonomous groups	20	12	38
Reduction in reporting levels	26	46	50
Integration of various departments	46	42	54
Work teams	50	48	67

* p < 0.05

Table 9
Existence of a Training Program of Policy

	<u>Traditional</u> %	<u>Japanese</u> %	<u>Quality</u> %
Training program	61	73	88
Ongoing training	47	73	65
Training policy	41	50	50

Table 10
Reasons for Training

	<u>Traditional</u> %	<u>Japanese</u> %	<u>Quality</u> %
Technological change	67	69	88
Qualification	40	50	58
Development of knowledge	64	73	88
New work methods	56	50	58
Mobility development	24	27	50
Improvement in productivity	64	50	71
Improvement in quality	69	62	79

Table 11
Reasons Preventing the Company From Providing Training

	<u>Traditional</u> %	<u>Japanese</u> %	<u>Quality</u> %
Limited internal resources	41	58	58
Cost*	65	31	46
Planning difficulties	30	38	38
Fear of losing staff	0	0	4
External costs	11	8	29
No government assistance	9	4	13
Government programs too rigid	7	0	17
Courses not available	24	15	25

* p < 0.05

than the others, the quality-oriented companies have a process of innovation focussing on employee involvement; our figures reveal percentages higher than those obtained by the Ekos team. Obviously, the samples used in the two surveys account for these differences, including the fact that we used Japanese companies and companies with a stronger focus on quality, types that are more likely to have such practices. Kaizen (a process of continuous improvement designed to stimulate initiative and discussion on improvements in quality and productivity) is clearly also seen more often in quality-oriented companies. (See Table 12)

To summarize, our survey showed, first, that quality-oriented companies seem, in many respects, to be closer to the innovative model or the typical Japanese model than the subsidiaries of Japanese companies

established in Canada, several aspects of whose management practices are similar to the traditional American management model. The Japanese companies established in Canada do not show a marked proclivity for the traditional Japanese management style. Adaptation, which is one of the strengths of the Japanese economy, here means imitation of North American practices. Similarly, companies engaged in a decentralized quality process show much more affinity with the Japanese model, except as regards the long-term employment relationship. Companies oriented toward the decentralized concept of quality seem to want to take advantage of what an internal labour market has to offer in terms of training and involvement within an innovative work organization, without making any particular commitment in terms of the employment relationship (long-term).

Table 12
Employee Involvement

	<u>Traditional</u> %	<u>Japanese</u> %	<u>Quality</u> %
Kaizen continuous improvement*	76	50	92
Employee suggestions	87	85	100
Consultation	76	81	96
Participation in production decisions*	64	48	90

* p <0.01

3— Conclusion

Our findings show the relative importance of training to Canadian employers, but they also bring out the difficulties involved in defining the precise meaning of training, particularly in international surveys. The fact that some countries, such as Canada, give more on-the-job training, coupled with the possibility that some companies provide informal training within a work organization that is focussed on skills development, makes it rather difficult to assess employer-provided training. Moreover, international comparisons become not only rather difficult, but complex as well.

It is hard to make any predictions about the future of employee training in Canada. Quebec's *Bill 90*, which requires employers to devote 1 per cent of total payroll to employee training, will have an impact on practices in some businesses, particularly the smallest, with total payrolls of between \$250,000 and \$500,000, to which the legislation has applied only since January 1, 1998. Those with total payrolls higher than this, along with employers in the high-tech sector,

are for the most part already providing training, but it is thought that their activities may become more structured.

There is some question as well as to whether this affirmation of the importance of training is just a fad, or whether it is a lasting trend. Given the diversity of workers' requirements (technical, social, communication or computer skills, etc.), most researchers and others involved in this area seem to indicate that training activities ought to be stepped up in virtually all areas, while at the same time more skills and knowledge ought to be required at time of hiring. Training seems not, therefore, to be a passing fad, but rather the trend of the future for Canada's economy, as for the majority of the industrialized countries.¹⁴ Our findings do, however, indicate that, while a good percentage of Canadian employers seem to be providing training, not all types of companies have advanced to the same level, nor is training ongoing in all cases (Table 9). What is more, only one in two companies, at most, has a training policy in place. There is, therefore, still room for improvement.

¹⁴ See Tremblay, editor (1997).

WORKPLACE-BASED TRAINING AND THE 1 PER CENT IN QUEBEC – CHALLENGE AND DILEMMAS

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The Act to foster the development of manpower training (S.Q. 1995, c. 43), which for a few years has required Quebec employers to invest the equivalent of 1 per cent of their payroll in training for their employees, is probably the best-known component of Quebec's continuous job training system. However, the Act is only one of several elements of the system introduced since the early 1990s in the wake of the government's policy entitled "Partenaires pour un Québec compétent et compétitif" [partners for a skilled, competitive Quebec] (Quebec, 1991). In this article, we present an overview of the mechanisms that have been put in place since the beginning of this decade and then focus on two key mechanisms among the changes currently taking place in the labour force training sector in Quebec.

In addition to the "1 per cent Act", we will discuss the sectoral intervention policy, the aim of which is to foster the creation of joint sectoral labour force committees. We will consider the extent to which these mechanisms can adequately meet the primary objective put forward in the government's policy statement at the start of the decade, that is, to create a workplace-based job training culture. This will entail examining some of the stresses being brought to bear on our industrial relations system in the face of this job training challenge. To conclude, we will reflect on the notion of "job training culture". We will consider whether any assumptions regarding the unconditional support of all the players in a given company for new workplace-based training projects lie hidden beneath that notion.

1 – The Challenge for the Government: Creating a Workplace-Based Training Culture

Let us begin by endeavouring to grasp the cohesiveness of the continuous labour force training system that is currently taking shape in Quebec. This is a tricky exercise because the various mechanisms are still being implemented or have yet to be devised.¹ For that reason, ours cannot claim to be a definitive analysis of the situation; rather, we are trying to put together a puzzle even though some of the pieces are missing! Nevertheless, the pieces that are in place can further the discussion.

What do we already know? In 1991, the Liberal government's policy statement "Partenaires pour un Québec compétent et compétitif" [partners for a skilled, competitive Quebec] (Quebec, 1991) established the basis for future mechanisms. Following a detailed analysis of the mediocre situation in the employment training sector in Quebec, the document identified a number of measures aimed at fostering the establishment of a workplace-based job

training culture. The three main measures were to form a partnership between the government, employers and unions; to simplify labour market programs and make them more effective; and to have teaching institutions contribute in striking a balance between supply and demand in the labour market.

In this article, we will focus more on the first measure, that is, partnership between various social stakeholders in the private sector on labour force training. The second measure, which covers such matters as unified, Quebec-controlled program management and labour market development initiatives, was partially implemented under a federal-provincial agreement in 1997 and allowed the creation of local employment centres. A number of ideas for fostering better relations between schools and companies have been put forward. It should be remembered, however, that attempts to set up a co-op training system have failed, at least for the time being, in part because companies are not overly anxious to take part.

¹ Examples include the co-operative education system which promotes a work/study program, and the recognition of skills and competencies.

In focusing here on the objective of partnership put forward in the policy statement, we will see that there is ultimately very little real encouragement in that direction. The idea of partnership first materialized with the creation, in 1993, of the Quebec Labour Market Development Board, which includes representatives of employers, unions and other socio-economic players. Five years later, however, the Labour Market Board was incorporated into the new Department of Employment and Solidarity and the partners who had previously worked together through the board of directors now found themselves part of a new body, the Commission des partenaires [partners' commission], that was set up to advise the department. What real power do the social partners in this organization have left? We are not yet able to give a definite answer to that question because the new body was only recently created. However, analysis of the sectoral intervention policy and the *1 per cent Act* leads us to similar conclusions.

In this article, we will consider whether the introduction of the sectoral intervention policy might create in the leading sectors of the economy a labour-management partnership that would help fulfil the government's objective of creating a workplace-based training culture. But what will become of such partnerships if the legislation does not encourage companies to take these initiatives? Is it at the workplace level that working conditions as part of our industrial relations system are negotiated? That is the perspective from which we will examine the *1 per cent Act* to foster the development of manpower training (S.Q. 1995, c. 43), which since 1996 has required employers to invest the equivalent of 1 per cent of their payroll in training for their employees. Is the *Act* likely to foster more manpower training partnerships within companies?

After examining the introduction of the *1 per cent Act* and the reality of sectoral and local labour force training committees, we will endeavour to discuss what we view as the main obstacles within our industrial relations system to the establishment of a workplace-based training culture. This will ultimately lead us to examine the notion of a "workplace-based training culture".

2 — The 1 Per Cent: Making Employers Responsible for Training Their Employees

In order to increase efforts by employers, the Liberal government introduced training incentives in the

early 1990s. A refundable training tax credit allowed companies to deduct a portion of the tax payable on expenditures they incurred in setting up a training plan or actually delivering training activities. The Quebec Labour Market Board estimated that less than 3 per cent of Quebec companies claimed the tax credit in 1994; although the companies that did, used it extensively. With the *1 per cent Act*, the Parti québécois government's approach will become an obligation.

When examining the *Act* fostering the development of manpower training, also known as *Bill 90* or the *1 per cent Act* (S.Q. 1995, c. 43), which has been in force in Quebec since January 1, 1996, we see that its primary aim is to make employers responsible for training their employees. However, as we will show, the *Act* leaves little room for workers' representatives and unions and is therefore not conducive to encourage training partnerships within the private sector.

Bill 90 is in fact the centrepiece of Quebec's continuous job training system. It requires employers with a payroll of \$250,000 or more to spend the equivalent of 1 per cent of payroll on training activities. The *Act* therefore gives employers a key role in providing funds for training. Moreover, the *Act* also gives them complete freedom to make decisions on training.

The approach organizations used in the *Act* was to define eligible training but not eligible training programs. Accredited educational institutions (school board schools and adult education centres, community colleges and universities, etc.), accredited training institutions and professional corporations qualify under section 6 of the *Act*. In addition to accredited public educational institutions, the *Act* refers to the accreditation of private trainers. Not only does the *Act* fail to define eligible types of training, but it does not establish any guidelines for the selection of employees to be trained, which could imply that training inequities brought to light by various studies (Quebec, 1982; de Broucker, 1996) could be perpetuated.

The *Act* does not compel employers to work jointly with workers' representatives. The flexibilities employers are given in selecting training programs and trainees are absolute, provided the employers call on accredited training institutions. Only in cases where an employer wishes to provide training through its own training department or through a private training firm that is not accredited is an employer encouraged to seek out an agreement with an association or union within its organization (section 9). In 1992, only

8.5 per cent of the collective agreements negotiated in Quebec mentioned the existence of joint job training committees (Morrissette, 1993). A recent analysis (Charest, 1998) put the figure at 9.8 per cent in 1998 and added that only 30 per cent of committees have decision-making authority; the others are simply advisory bodies.

On the whole, the *1 per cent Act* is in line with the spirit of our industrial relations system, which gives employers full control over workforce training and skills development of their employees. By forcing them to spend money on training, the *Act* basically endeavours to make them more accountable for training. Our observations of the application of the *Act* suggest that employers have focused their efforts on ensuring that training activities already being carried out in the organization count toward fulfilment of their obligations under the *Act*. We also find that the implementation of the *Act* has not until now generated more labour-management cooperation in training and skills development. Whether the situation evolves in this direction is still to be seen.

The Department of Employment and Solidarity recently began an evaluation of the *Act*. Will that exercise bring into focus the weaknesses in the legislation and ensure that employers really take charge of training for their employees? And should unions be involved in a real way in helping employers oversee training in the workplace?

3 — Developing Job Training on a Foundation of Labour-Management Partnership

Every government initiative taken since the Quebec government issued its policy statement, including *Bill 90*, has outlined the need for a labour-management partnership in order to develop labour force training.² This government objective was given tangible expression in the Labour Market Board' sectoral intervention policy (Quebec, 1996), designed to create sectoral joint committees in some 30 sectors of the

Quebec economy. More than 20 sectoral labour force committees are already up and running.

Partnership is therefore the cornerstone on which the Quebec government's labour force training strategy is built. While that may appear to be self-evident and some analysts even conclude that labour relations are becoming more consensual in Quebec, our reading is somewhat different. To discuss the issue further, we now turn our attention to the results of a study we conducted on joint training and skills development committees.

The study (Bernier, Bilodeau, Grenier, 1996) covered local company committees as well as sectoral committees. A total of 12 local committees were examined in four sectors where sectoral committees were also analysed (petrochemicals, aeronautics, electricity and electronics, and public utilities).³

The study revealed that the objectives of the sectoral and local committees are so different that they cannot be examined together. The objectives of the sectoral committees are broad. They include establishing institutional training programs or even schools; those objectives are geared as much toward training future employees – perhaps even more so – as toward training current employees. We have noted the establishing of a high school in aeronautics in Montréal and a petrochemicals training program in a college of the urban community of Montréal.

As we look at the objectives and achievements of these sectoral committees, we wonder whether they reflect the basic premise held by the social stakeholders involved in these projects, namely that vocational training should first and foremost be in the hands of the public school system. As we pointed out, most initiatives taken by the sectoral committees relate to the establishment of programs or even training schools and focus more on the next generation of workers than on current employees.

This brings to light a fundamental paradox inherent to these sectoral committees. Under our industrial relations system, working conditions are negotiated

² The *Act* which originated the *Société québécoise de développement de la main-d'oeuvre* provided for the establishment of sectoral labour force committees. In addition, section 1 of *Bill 90* puts on the same footing a coordinated action by the social partners and increased spending by employers on training, in order to meet its objectives. The SQDM's sectoral intervention policy, released several months after *Bill 90* was proclaimed, also calls ultimately for the establishment of sectoral joint labour force committees.

³ This study preceded the sectoral intervention policy, but the sectoral committees that were examined are still in place. We believe that the findings of our study remain valid even though the sectoral intervention policy is now in place.

at the company or establishment level; therefore sectoral labour market committees have little power over continuous training in those companies. Not surprisingly, the achievements of sectoral workforce committees have little to do with continuous training on a company level. More often than not, the training employees receive is in-house training and workers have very little access to the institutional training programs established by the sectoral committees.

Our study also found that while relations between the union and management representatives on the sectoral committees are relatively harmonious, because of the broad objectives, the same is not necessarily true of local committees, such as company joint training committees. In companies, efforts to work together on job training usually focus on bargaining points: job flexibility, classification, promotion, wages, and so on. This seems to make it more difficult to separate job training issues from issues related to the negotiation and administration of a collective agreement.

Finally, we were able to conclude from the dozen company joint committees we examined that these experiments are giving rise to a model that is unique from a labour relations standpoint. Three patterns can be identified, the most common of them being labour relations characterized by cooperation as well as conflict. On the whole, it would appear from the results of our study that the reskilling of workers is not a subject that challenges the nature of labour relations in a company.

In fact, it appears that the only true concertation on labour force training develops at the sectoral level. In individual companies, which still represent the core of our industrial relations system, there is no specific policy to foster a joint approach to training and no tie-in between the sectoral and local levels. And as we stated earlier, we believe that *Bill 90* strengthens the key role of the company as a decision maker and a sponsor of labour force training. However, a new element was recently added to the mix: Quebec unions now seem to be accepted as “partners” in discussions on labour issues at levels that extend beyond individual companies. This is probably another step in the evolution of our industrial relations system. However, as we suggested, many elements of our industrial relations system stand in the way of a workplace-based job training culture. The final section gives an overview of those elements.

4 — Industrial Relations Dilemmas⁴

One of the biggest obstacles to the development of a continuous job training system in Quebec as highlighted in this article is that in our system of industrial relations, bargaining is centred in individual companies. Job training demands more open discussion and negotiation at broader levels, if only because it brings companies into contact with schools. An accreditation process, with a base broader than individual companies, would probably have allowed negotiations to address general problems (national or sectoral industrial development policies, employment policies, etc.) and would have facilitated the establishment of sectoral or national training centres.

On the contrary, the current system seems to have focused negotiations on themes directly related to corporate life and fostered the introduction of training mechanisms based on individual companies. Through its sectoral intervention policy, the government could encourage the establishment of sectoral committees, which would allow more initiatives to be taken at a broader level. However, mechanisms for linking the sectoral and company levels will have to be devised. Adjustment problems between national and sectoral policies and local company practices hit at the core of the current problems related to development of a continuous job training system in Quebec.

At the company level, another obstacle stems from our bureaucratized employment system. To this day in most companies, job description plans provide a very detailed definition of all positions, and employees do not usually need higher qualifications or additional training to move up from one classification to the next. In some employment sectors, a new model in which competency is an essential prerequisite for moving into positions that call for higher qualifications is starting to replace this bureaucratized model. The new model challenges its seniority-based forerunner. The new continuous training requirements account for the reluctance showed by employees, especially when employers do not provide all the training facilities their employees need.

Standard bargaining points are another obstacle to the development of workplace-based training. The argument can be made that bargaining in Quebec and North America as a whole has traditionally been limited

⁴ This point is taken from a previous document produced with two colleagues in the Department of Industrial Relations at Laval University (Bernier, Dussault, Simon, 1993).

to wages and working conditions. We believe that the development of a training culture within companies hinges on extending the bargaining process to job content, the organization of work and industrial policies that include investment in technology. Despite the references we hear just about everywhere, including in the public sector, to review the organization of work, collective bargaining is still limited for the most part to general working conditions and wages, a situation that has been and continues to be an impediment to the development of a training system in the workplace.

Thus, we should perhaps turn our efforts to find ways of increasing the number of training committees in companies and, more importantly, to giving those committees specific powers. Giving workers and their unions control over workplace-based training, or at least a share of the responsibility, is probably the key to sparking enthusiasm about continuous training among their ranks. Left to company managers, continuous training is all too often driven solely by the demands of corporate output. Based on our observations, workers often view continuous training as extra work and an element of exclusion rather than a real opportunity for social and occupational mobility. We are still a long way away from a workplace-based training culture!

5 — Conclusion

Are the various mechanisms that have been put into place in Quebec since the start of the decade capable of creating a job training culture? That was the main objective of the government's 1991 policy statement, which banked on partnership between employers, unions and governments to create a workplace-based training culture.

What we tried to show in this article is that this partnership has been reinforced at a sectoral level by the sectoral intervention policy, but that at a company level, nothing has been done to strengthen cooperation on job training. In fact, according to our analysis, the *1 per cent Act* does nothing more than reinforce the employer's responsibility for training his workers. The legislation does not give employees or their unions any power over training. The problem can be identified as a need for mechanisms that can foster the desired cooperation within the company in the area of labour force training.

However, the problem runs deeper. It is rooted in the premise – a premise that underlies government policy – that job training is an objective supported by all stakeholders in the company. In our view, that equates with a unitarian vision of the company whereby the stated objectives are shared by all the members. In that context, there can be no subculture and no counterculture within the company.

Job training is a field that readily conveys that type of assumption. Many studies on the subject are based on the idea that there is necessarily consensus on job training within a given company. Is it not true that unions were the first to demand a bigger role in training workers in order to deal with changes in companies, technological and other changes? And is it not true also that workers would gain the most from training by developing what it now commonly referred to as their employability?

However, it must be recognized that unions' demands regarding training for their members were made in a spirit of democratization of the workplace so that employees affected by change could deal with that change on the basis of pre-established rules generally based on the principle of seniority. One question that can be asked is whether job training is now being presented to workers rather as a threat of exclusion. Company restructuring often leads to a selection process in which the most qualified employees have a greater chance escape unscathed.

In today's context, job training is a central factor in company restructuring and challenges a set of rules pertaining to our industrial relations system. That challenge, as we saw, applies not only to the model of work organization, but also to mobility within a given company and areas and levels of collective bargaining. In other words, job training is the hub of a new set of rules in companies. For that reason, training cannot be considered a given; it has to be negotiated along with the other working conditions it is bound to affect. It would be wrong to contend that there is consensus on job training and that job training does not have to be negotiated.

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TRAINING FOR THE NEW ECONOMY

Canadian Policy Research Network
Independent Non-Profit Organization

The mission of the Canadian Policy Research Network is to create knowledge and lead public debate on social and economic issues important to the well-being of Canadians, in order to help build a more just, prosperous and caring society.

This report is about preparing Canadians for the "new economy." In this economy, characterized by rapid technological change and knowledge-intensive activities, the development of employees is increasingly pivotal. The report argues that, to fully participate in the new economy, individuals not only need a strong basic education but also an opportunity to upgrade and extend their skills throughout their adult lives. It shows that now access to these learning opportunities is very uneven, with well-educated and already skilled Canadians benefiting far more than their less-educated counterparts. Thus, training patterns are exacerbating polarization tendencies, with a segment of the adult population at risk of increasing marginalization because of a worsening skills deficit.

The report presents a roadmap for moving towards a system that is more effective and more equitable. It argues that the way forward lies in enhancing the training "market" that has evolved over the past decade. The foundation of this market is represented by the dynamic training suppliers that have emerged as a result of public policy decisions made during the 1980s and 1990s. However, a range of barriers currently inhibit the ability of Canadians and firms to fully exploit the training opportunities that now exist. Governments and a diversity of "stakeholder" organizations need to work together to address these obstacles and improve the operation of the training market.

The report synthesizes the results of a major Canadian Policy Research Network project which has addressed three questions:

- What employment patterns and skill requirements characterize the new economy?
- What are the implications of these trends for human capital investment?

- What should individuals, employers, and governments be doing to ensure that Canadians are prepared for, and benefit from, employment in the new economy?

The "New Economy" Labour Market

Over the past two decades, a shift has taken place in the structure of employment, away from the manufacturing sector and blue-collar jobs to the service sector and white-collar jobs. The overall effect has been an "upskilling," with a growing share of employment in highly-skilled, knowledge-intensive jobs. There are still low-skill jobs but they are declining in relative terms and the competition for them has intensified. As a result, the stakes for not only basic education but also access to training have been increasing.

There have also been changes in labour force participation patterns over the past couple of decades. More women are working; young people have increasingly looked for employment opportunities even while still in school; and the employment patterns of older Canadians have also been shifting. In the process, the traditional life-cycle stages of schooling, employment, and retirement have become blurred. As a result, formal learning has truly become a lifelong requirement and, because it is now often pursued in conjunction with other activities, training delivery must be flexible.

Finally, employment relationships have become more diversified as traditional full-time, ongoing jobs now share the stage with a range of nonstandard and self-employment forms. Canadians in these employment relationships, as well as the growing numbers who are working in small firms, typically do not have access to workplace-sponsored training. As a consequence,

growing numbers of individuals have little choice but to accept the responsibility for ensuring they have the skills to navigate in the labour market.

Training Participation Patterns

Against these standards, how well are we doing? The evidence does suggest that many Canadians are responding to the knowledge and skill challenges of the new economy. It is notable that enrolment rates in post-secondary education have been at historically high levels. There are also large numbers of adults pursuing education and training activities. However, these patterns are very uneven. Participation in adult education and training increases with income and education and is highest for those with strong literacy skills. And, where training is employer-sponsored, it focuses on full-time employees, on those with long tenure, and on prime-age workers.

The distribution of training is also uneven across the business sector. Many firms, especially small ones, rarely make any formal investment in training and their employees therefore tend not to have access to employer-sponsored training. Only a very small proportion of Canadian companies overall see themselves as learning organizations wherein continuous learning is regarded as an integral part of the workplace and an essential business strategy.

The evidence does show clear positive impacts from training. While it may not make sense for all firms to invest in formal training, there is a significant association between training activity and organizational performance. For employees, training is associated with a range of advantages including higher wages, increased job satisfaction, and a stronger perception of employability.

Who is left out? Low-skilled workers, workers with less education, low-income individuals, those working part-time, employees of small firms, and those without a long-term attachment to a single employer.

Thus, the distribution of training, especially employer-sponsored training, closely parallels the distribution of human capital that already exists, reinforcing tendencies toward polarization in the labour market.

A Training Market for the New Economy

Fifteen years ago, we could talk about a training "system" in Canada that was largely driven by governments. Now, as the cumulative result of a series of public policy decisions, we have a training "market" where commercial trainers, equipment vendors, non-profit organizations, and a variety of stakeholder councils have joined publicly-funded institutions in supplying training. These providers offer a host of opportunities to the workers and firms that need training. However, there will need to be changes in practices and policies, as well as in institutions, if these players are going to come together in an effective training market.

The report identifies five objectives to pursue:

- broadening access to formal learning opportunities through innovative financing;
- creating genuine opportunities for time out for lifelong learning;
- offering flexibility to enable people to combine learning with other activities;
- signalling more clearly what people know and what employers require; and
- clarifying the benefits of, and strengthening the incentives for, formal learning.

Achieving these objectives is not simply government's responsibility. Key roles must be played by "intermediaries" such as sector councils, labour force development boards, community councils, unions, and employment agencies. These intermediaries should be thought of as brokers that help information flow more efficiently and foster collaboration between training providers, firms, and individuals. Over time, as the training market matures, we can expect new forms of this brokering activity to emerge.

Effective intermediaries can lessen the need for direct government intervention and, indeed, they can often work with governments to confront problems that the training market cannot work out by itself. However, governments in their own right have important functions in this emerging market. They will be less important

as direct providers of training through programs and financing. Instead, they must focus on the following roles:

- to provide basic education which is the essential foundation for a highly skilled workforce;
- to support better information flows, including:
 - basic labour market information;
 - occupational and training standards;
 - employer certification and accounting tools;
- to create better credit tools that improve the access of adults to formal learning opportunities;
- to broker collaborative relationships between industry and education and training providers; and
- to facilitate the labour market entry of youth.

The report offers suggestions for a number of new approaches that are worth evaluating as possible

ways of addressing emerging training needs. Examples of ideas that could be explored include:

- using Employment Insurance contributions to allow workers to accumulate training credits;
- establishing a system of savings accounts, like Individual Development Accounts, that individuals could use to finance training;
- establishing "registered training plans;" and
- developing instruments like Canada Student Loans, that would allow adults to participate in training.

All of these ideas require careful feasibility work, but they are put forward as a means of illustrating the kinds of savings, grants, credits, and borrowing instruments that could be made available to workers and especially to low income Canadians in order to give them the tools they need to invest in their own skills development.

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In the United States...

"The expenditures on workplace training of 540 corporations during 1996 were compared to their performance during the first half of 1997. The results show that the corporations who spent more than \$900 per employee on learning performed better than those who spent an average of \$275 each. More specifically, those with the highest expenditures have 57 per cent higher net sales per employee (\$385,000 vs. \$245,000); 37 per cent higher gross profits per employee (\$165,000 vs. \$120,000); and a 20 per cent higher ratio in market-to-book values."

from the American Society for Training and Development – 1996

DEVELOPING SKILLS IN THE CANADIAN WORKPLACE

Canadian Policy Research Network
Independent Non-Profit Organization

The mission of the Canadian Policy Research Network is to create knowledge and lead public debate on social and economic issues important to the well-being of Canadians, in order to help build a more just, prosperous and caring society.

Workplace training is generally viewed as a key ingredient of the competitiveness of firms and, ultimately, of national competitiveness. It is also a key factor affecting the employability of individuals. With the growing pressures of globalization and technological change, the focus on this dual role of training in the economy has sharpened, becoming the subject of considerable debate in Canada.

The common perception is that Canadian employers do not invest nearly enough in developing the knowledge and skills of workers. However, it is difficult to assess whether Canadian employers do in fact underinvest in training, for two reasons. First, national data on workplace training is not collected on a regular basis. Second, it is difficult to know how much training is "enough." To answer that question, more information is needed on such issues as what drives the training decision, what works, what factors determine the effectiveness of training, and, ultimately, how more effective training can be achieved in the future.

To address these issues, Betcherman, Leckie and McMullen draw on a new survey database developed by Ekos Research Associates as part of Canadian Policy Research Network's project on Training for the New Economy. The Ekos Workplace Training Survey involved an ambitious research design that collected both quantitative and qualitative training data, using a variety of data collection instruments, including a 1995 telephone survey of 2,500 establishments, with a more detailed mail follow-up to about one-third of these; longitudinal data covering the 1993-1995 period for over 1,000 establishments; detailed case studies of 18 establishments; and an employee training database covering over 300 workers in these case study organizations.

The report reviews the relevant literature and describes the conceptual framework that underlies the study design. The key research findings are summarized below.

The Incidence of Training

Seventy percent of establishments, accounting for nearly 90 per cent of all workers, reported undertaking

some training in the 12 months preceding the survey. While most training was informal, the incidence of formal training was high in some segments of the economy, typically in larger establishments, in multi-establishment firms, and in the non-market services industries. Formal training was also more frequently reported by establishments experiencing significant technological change and by those employing "high-performance" human resource management practices.

Differential Access

Like other researchers, the authors find that the incidence of formal training was greater for men than for women and for workers who had more than a high school education. Highly skilled employees, managerial, professional and technical workers, were most likely to receive training. The most frequently reported type of training was for job-related professional and technical skills; least frequent was training for literacy and other basic skills.

Most establishments did not track expenditures on training and, among those that did, there was wide variation in the accounting methods used. The authors caution that, as a consequence, it is difficult to draw firm conclusions about spending on training. However, the data indicate that training costs per employee (or per trainee) were significantly higher in small establishments than in large ones, suggesting that the latter enjoy training-related economies of scale that are unavailable to small firms.

Polarization in the Training Market

Survey establishments were grouped into five training types, based on a number of training indicators. These groups extend along a continuum defined by the level of commitment to training and formalism of training activities. The "high-trainer" group accounted for about 13 per cent of respondents and, because many of these were large, they accounted for about one-third of total employment.

The longitudinal analysis suggests that the incidence of formal training decreased between 1993 and 1995. Firms that dropped training were, for the most part,

small and in selected service industries. However, establishments that continued to train in fact deepened their commitment. Although the time period covered was only two years, these opposing trends raise the prospect of a growing polarization in the training market.

The Training Process

In summarizing the evidence provided by the case studies, Betcherman, Leckie and McMullen identify three general patterns that appear to characterize how firms make decisions about, and thus investments in, training. The first pattern – incidental learning but no formal investment – characterized companies in which there was rarely a conscious decision to train; any training that did take place was in response to a specific obligation (such as health and safety training) or at least a compelling need. The second pattern – event-triggered training – includes companies in which formal training was undertaken, but only in response to specific events like the introduction of a new technology or some reorganization in the workplace. The third pattern – commitment to a learning organization – consists of establishments in which continuous learning had become an integral part of the business and the workplace.

The authors found that, in all types of firms, training tends to be very much a top-down decision, with strategies and funding levels determined by senior management. Very few firms engaged in formal training-needs assessment. However, in "learning organizations," effective training represented one element of a broader business strategy designed to achieve excellence. Training needs were determined strategically and training plans were developed systematically for individual employees so that new skills were added in a logical and progressive fashion. In such organizations, training, and learning more broadly, become a "natural" part of the enterprise. When that is combined with a shared understanding of the strategic goals of the organization, employees and managers together take ownership of training.

Impacts of Training

Consistent with findings reported elsewhere in the literature, the Workplace Training Survey results suggest that employees who had received training had significantly higher wages than employees who had not.

On the establishment side, the authors found that the revenue and productivity performance of

establishments with training programs was significantly better than for non-trainers. Moreover, this advantage was greatest for those respondents with the strongest commitment to training.

Policy Implications

One of the key conclusions reached by the authors is that the fact that some types of firms do not engage in workplace training in any meaningful way might well be a very rational response to the environment in which they operate. For some firms, training at least in the formal sense may not, in fact, be the best use of resources.

However, the authors note that there are two key segments of the economy that should be sources of concern from a public policy perspective. The first is small firms that face a significant cost disadvantage with respect to the provision of training. Small firms are also less likely to know about relevant training opportunities or to work with other firms and the educational sector to provide training. The second consists of individuals who lack access to training opportunities. This group includes not only those in the "non-training" segment of industry but also those who, because of their personal or labour force characteristics, tend not to be given training, despite being employed by organizations that do provide some training. Notable groups who are missing out are youth and non-standard workers.

To address the needs of these groups, Betcherman, Leckie and McMullen identify some potentially useful policy measures. One approach, for example, is to facilitate the development of networks that can provide supports for training to small firms and build relationships in the business community. With respect to individuals, they note the important roles played by cost and lack of information in hindering individuals in investing in their own skills development. Tools that could assist individuals include financial assistance measures such as income-contingent loans for investments in job-related training and improving access to information that will allow individuals to identify and assess appropriate training providers.

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UPCOMING SURVEYS RESULTS

The Adult Education and Training Survey

The Adult Education and Training Survey provides a uniquely comprehensive portrait of adult education and training experiences in Canada and is the most extensive source of information on adult training in Canada. It has been conducted by Statistics Canada in 1984, 1985, 1986, 1990, 1992, 1994 and 1998 as a supplement to the Labour Force Survey. The Labour Force Survey is a monthly household survey administered by Statistics Canada. It collects data on the labour market activities and demographic characteristics of the working-age population of Canada. Type, duration, sponsor, delivery method and location of education and training activities are surveyed, as well as the socio-economic characteristics of trainees.

Information is collected on all structured employer and non-employer sponsored education and training activities pursued by persons aged 17 and over, providing important insights into the lifelong learning culture in Canada. The Adult Education and Training Survey has been highly successful in providing policy relevant information to governments, employers and individual Canadians.

In the past, Applied Research Branch has co-published reports with Statistics Canada, detailing the findings of the Adult Education and Training Survey. The 1998 report will be unique in that its focus will be much more policy-oriented and will include articles by academic experts in the field. The target release date for the 1998 *Adult Education and Training Survey Report* is June 15, 1999.

The Workplace and Employer Survey

The Workplace and Employer Survey explores the links between events occurring in establishments and the outcomes for workers. This is a new survey, planned for 1999, developed by Applied Research Branch and Statistics Canada.

For the first time in Canada, researchers are examining how the characteristics, decisions, and behaviors of employers and employees affect one another marking a significant change in the way information is collected about establishments and the workers they employ. Until now, most research has focused on what is going on with the supply of labour, giving a solid understanding of workers' outcomes e.g. wages, job stability, training and unemployment. What has been missing, however, is the ability to link these changes to events taking place within establishments.

The Workplace and Employer Survey also contributes to a better understanding of how establishments are dealing with change. There is a general sense that the pace of change, spurred by technological innovations and global competition, has accelerated in recent years. The Workplace and Employer Survey will address the following kinds of issues:

- Just how many companies have implemented new information technologies, and on what scale?
- What kind of training is associated with new technologies?
- What types of business strategies are firms using to thrive in this period of change?
- Do these strategies vary dramatically across firms?

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SELECTION OF RECENT CHANGES IN CANADIAN LABOUR LAWS

Adopted Bills, Regulations and other Statutory Instruments

Michel Gauvin and Denis Dupont
Labour Law Analysis, Strategic Policy and Partnerships
Labour Program, Human Resources Development Canada

Federal: Proclamation of *An Act to amend the Canada Labour Code (Part 1) and the Corporations and Labour Unions Returns Act and to make consequential amendments to other Acts (Bill C-19 Assented to June 18, 1998); SI/99-2, Canada Gazette, Part II, of January 6, 1999*

This Act, which was described in the Workplace Gazette (Fall 1998), was brought into force on January 1, 1999.

Manitoba: Amendment to the *Minimum Wages and Working Conditions Regulation* under the *Employment Standards Act*; Manitoba Regulation 209/98 Gazetted December 19, 1998

By way of an amendment to the *Minimum Wages and Working Conditions Regulation*, the general minimum wage rate in Manitoba will be increased from \$5.40 to \$6.00 per hour for work done during standard hours, effective April 1, 1999.

New Brunswick: Proclamation of *An Act to Amend the Industrial Relations Act* (Chapter 6 of the Acts of New Brunswick, 1997); O.C 98-708, Royal Gazette of December 16, 1998

Amendments to the *Industrial Relations Act*, passed on February 28, 1997, were proclaimed into force on November 12, 1998. They permit, in certain circumstances, requests for grievance mediation, when both parties agree, and expedited grievance arbitration if there is no mediation or it is unsuccessful. An amendment authorizing the Minister of Labour to appoint a committee to advise him/her with respect to persons qualified to act as arbitrators and other matters relating to the arbitration process remains unproclaimed.

Saskatchewan: Amendment to the *Minimum Wage Board Order, 1997* under the *Labour Standards Act*; Saskatchewan Regulations 83/98 Gazetted December 4, 1998

By way of the *Minimum Wage Board Amendment Order, 1998*, the general minimum wage rate was increased from \$5.60 to \$6.00 per hour effective

January 1, 1999. In addition, under the amendment, also effective January 1, 1999, employees required to report for duty, other than for overtime, must be paid a minimum sum of \$18, whether or not they are required to be on duty for three hours.

Yukon: *An Act to Amend the Employment Standards Act*; Bill 53 Assented to December 7, 1998

Effective December 7, 1998, this Act has introduced a significant change to the definition of "employee" which has been expanded to include contract workers. This means that contract workers are considered employees under the employment standards legislation and are subject to its provisions. Not all contract workers are affected. The Act defines a "contract worker" as a worker who performs work or services for another person for compensation or reward on such terms and conditions that (a) the worker is in a position of economic dependence upon, and under an obligation to perform duties for, that person, and (b) the relationship between the worker and that person more closely resembles the relationship of employee to employer. The definition includes contract workers whether or not they are employed under a contract of employment, or whether or not they are furnishing tools, equipment or other things they own.

The Act has also introduced a measure that allows any person, including third parties, to make a complaint that an employer has violated the *Employment Standards Act*. Another measure provides the Director of employment standards, in regard to certain violations by an employer, with the option of levying an administrative penalty of \$500, as an alternative to prosecution. Also, in the case of unpaid wages, the director must include in a certificate issued for unpaid wages an administrative penalty of 10 per cent of the unpaid wages or \$100, whichever is greater; likewise, when an employer is convicted of failure to pay wages, the presiding judge must impose a penalty equal to 10 per cent of unpaid wages, to be paid by the employer. Lastly, a provision calls for the review at least once every three years of the Fair Wages Schedule which sets out the rates of pay on Yukon government construction projects.

YESTERDAY AND TOMORROW

Training in Organizations

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At the end of the 19th century, the labour movement in Canada, through the Trades and Labour Congress of Canada, began calling for legislation requiring business owners who employed children who could not read or write to give them time to attend school.

On the basis of the principles that education is a condition for democracy and that the increase in the general level of education would promote industrialization by increasing enrolment in vocational schools and promoting job mobility, free and mandatory education became the first article of the Congress' declaration of principle.

Since the late 1940s, Canada has had legislation on compulsory education, requiring children to attend school until age 16 and prohibiting employers from employing children during the school day.

With technological development, employers began to provide a modest amount of training in order to fill certain short-term gaps and help their workforce adapt to changes. However, although employers recognized the positive impact of training programs, there was a time when training was generally the first service to be cut when expenses had to be reduced.

Today, with the rapid advance in technology and the globalization of economies, companies must constantly adjust and, above all, find new ways to stay competitive. Some companies do this through employee training. Many types of training exist, and they often have to be adapted to the specific situation of the company which is implementing them, but three main trends have emerged in training content.

First, the international aspect of training seems to be increasingly important to companies. Companies want their employees to be more and more open to different countries' cultures and customs, so that workers can establish good relations with one another

as well as with external clients. Conflict resolution is another key dimension of training. The increasing interaction among different countries requires skills in resolving conflicts with people of different nationalities.

Another major trend in training can be seen in the implementation of the concept of teamwork, with teams ranging in size from just a few employees up to over 100. Work teams are often formed when a company restructures or when it has a large project to carry out. Usually, the people on these teams come from all areas of the business. Managers and members of this type of team must be familiar with the principles and methods of teamwork, including conflict resolution and decision-making.

Finally, information and training on work force diversity are becoming important for managers and employees. Companies must not only ensure that employees are aware of work force diversity but must also set up various employee assistance programs and recognize the diversity among employees. These are the main trends in training, and they are evident in all types of companies.

Today, many companies recognize that on-the-job employee training has been invaluable in their efforts to stay ahead of the competition. Despite the increase in the average level of education and the fact that there are more and more joint initiatives between training centres and businesses, employers generally seem to prefer to manage employee training. However, according to Statistics Canada, in 1997, 40 per cent of Canada's population was functionally illiterate. So, on the eve of the 21st century, employee training in certain sectors must still begin with literacy, and, as in the past, the union movement is continuing its efforts to make employers and the general public aware of the training challenge.

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A quarterly publication providing data on wage adjustments from major collective bargaining settlements by industry, sector and region; detailed analysis of select provisions in major agreements; comprehensive and in-depth information on innovative workplace practices in Canada resulting from collective bargaining; a quarterly calendar of major collective agreement expiries and reopeners; and, a chronological perspective on work stoppages in Canada. It also features articles or case studies on pertinent industrial relations matters. Annual subscription: Canada, \$125 plus 7% GST (\$133.75); other countries, U.S. \$125.

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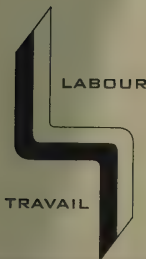
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FOREWORD

The Workplace Gazette presents a wide range of collective bargaining information to meet the ever-changing needs of the industrial relations community. Its purpose is to provide a sound base for research in support of the bargaining process.

It includes information and analysis on wage adjustments, collective agreement provisions, innovative workplace practices, work stoppages, upcoming important negotiations, and other related topics.

SECTION 1 includes quarterly/annual data on wage adjustments in major collective agreements, both current and

historical, by public/private sectors, region, jurisdiction, and major industry.

SECTION 2 provides a detailed analysis of selected provisions, those of current interest, found in major collective agreements. Also included is a listing of collective agreement expiries/reopeners, and information on work stoppages in Canada.

SECTION 3 summarizes innovative practices in the workplace resulting from collective bargaining. It also presents articles, case studies, and other recent trends in industrial relations.

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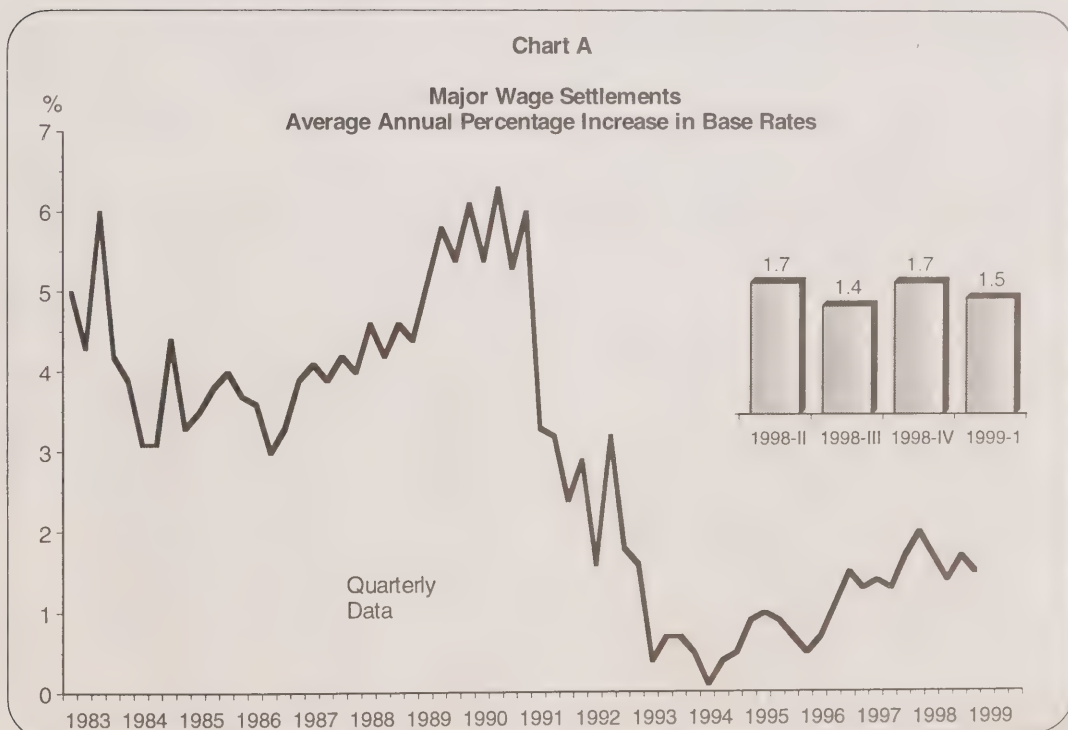
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SECTION 1

MAJOR WAGE SETTLEMENTS* – FIRST QUARTER 1999

Summary

- Annual base rate wage adjustments averaged 1.5 per cent; slightly lower than the 1.7 per cent in the fourth quarter of 1998 and the 1.6 per cent for the whole of 1998 (see Chart A)
- Average contract duration of 33.6 months; slightly higher than the 32.0 months for the year 1998
- Public sector wage adjustments averaged 1.3 per cent; a decrease from the 1.6 per cent in the fourth quarter of 1998
- Private sector wage adjustments averaged 2.2 per cent; an increase from the 1.9 per cent in the fourth quarter of 1998
- Wage adjustments were the highest in the Prairie provinces averaging 3.3 per cent in 15 agreements covering 19,050 employees; the lowest in British Columbia averaging 0.7 per cent in six settlements covering 48,720 employees
- Wage adjustments, by industry, were the highest in the Construction sector at 2.5 per cent; the lowest in Community, Business and Personal Services averaging 0.9 per cent



Source: Workplace Information Directorate

* Major settlements are those involving bargaining units of 500 or more employees. All wage rate adjustments over the term of these agreements, including those arising from cost-of-living clauses (COLA), are taken into account. The yield of such COLA clauses is estimated on an assumed 2.0 per cent annual increase in the Consumer Price Index.

Overview

Base-rate wage adjustments from major collective bargaining settlements reached in the **first quarter of 1999 averaged an increase of 1.5 per cent** annually over the contract term, slightly lower than the average of 1.7 per cent in the fourth quarter of 1998, and the 1.6 per cent average for that year as a whole.

The first-quarter 1999 results are based on a review of 94 settlements covering 237,360 employees. When the parties to these settlements previously negotiated, with contract-duration averaging approximately 37.7 months, the resulting wage adjustments averaged 0.6 per cent, compared to the 1.5 per cent in their first-quarter settlements. (Contract-duration averaged 33.6 months in these first-quarter 1999 settlements)

Since troughing in mid-1994, the overall level of wage adjustments has risen modestly; however, only since the fourth quarter of 1997 have average wage gains exceeded the year-over-year increase in the Consumer Price Index (CPI). In the first quarter of 1999, the year-to-year **rise in the CPI was 0.8 per cent**, compared to the **1.5 per cent average wage gain** from settlements reached in the quarter.

Since 1994, quarterly wage adjustments in the private sector have been above those in the public sector (with the exception of the first quarter of 1998). As well, private-sector wage gains have been often larger than CPI increases since 1994; in the public sector, wage gains remained below the rate of CPI increase until the fourth quarter of 1997.

Wage adjustments in the **public sector averaged 1.3 per cent in the first quarter of 1999**, down from 1.6 per cent in the preceding quarter, and the 1.5 per cent average for 1998 as a whole.

Private-sector settlements in the **first quarter of 1999** provided **wage adjustments averaging 2.2 per cent**, up from 1.9 per cent in the preceding quarter, as well as the average of 1.8 per cent for the year 1998.

The national average wage adjustment of 1.5 per cent was dampened by the results from British Columbia at 0.7 per cent, (almost all settlements in the public sector). Wage adjustments averaging 1.2 per cent in Quebec, and 1.4 per cent in Ontario, were also below the national average. Settlements in other regions/jurisdictions were as follows: the federal jurisdiction, 2.0 per cent; Atlantic Canada, 2.6 per cent; and the Prairie provinces, 3.3 per cent.

On an industry basis, wage adjustments were below the all-industry average of 1.5 per cent only in the Community, Business and Personal Services sector at 0.9 per cent. Wage adjustments averaged 1.5 per cent in the Manufacturing sector, and were above the all-industry average in Public Administration at 1.7 per cent, the Transportation, Communication and Other Utilities sector at 1.9 per cent, the Trade and Finance sector at 2.4 per cent, and in the Construction sector at 2.5 per cent.

Distribution by Size of Wage Adjustments

Corresponding to the (modest) rise in the level of average wage adjustments, the incidence of wage freezes and cuts has continued its decline from the peak in 1993-1994. In 1994, employees with wage freezes and cuts constituted close to two-thirds (65.6 per cent) of all employees reaching settlements in that year; by 1998, the percentage was down to 9.3 per cent. In the first quarter of 1999, there were nine agreements with wage freezes and two with wage cuts, covering a total coverage of 17,010 employees, or 7.2 per cent of all 237,360 employees with (94) settlements in the quarter (see Table 1).

Also, with some convergence of average wage adjustments between the public and private sectors, wage adjustments have tended to cluster more narrowly around the overall average level of wage adjustments. In the year 1998, when the average level of wage adjustments was 1.6 per cent, 81.8 per cent of employees received increases up to 2.9 per cent; in the first quarter of 1999 with an average wage gain of 1.5 per cent, 86.5 per cent of employees received increases of up to 2.9 per cent. In comparison, in the year 1994 when the average level of wage adjustments was 0.3 per cent, 47.8 per cent of employees received increases of up to 6.9 per cent.

Public and Private Sectors

The modest decline in the overall level of wage adjustments to 1.5 per cent in the first quarter of 1999, is entirely attributable to the moderation in public sector wage adjustments to 1.3 per cent, (from 1.6 per cent in the fourth quarter of 1998 and 1.5 per cent in that year as a whole) (see Chart B). The public sector's 70 settlements reached in the first quarter of 1999 covered 185,360 employees. The largest concentration of public-sector employees was in

Table 1

**Distribution of Agreements and Employees
by Size of Wage Adjustments, First Quarter 1999**

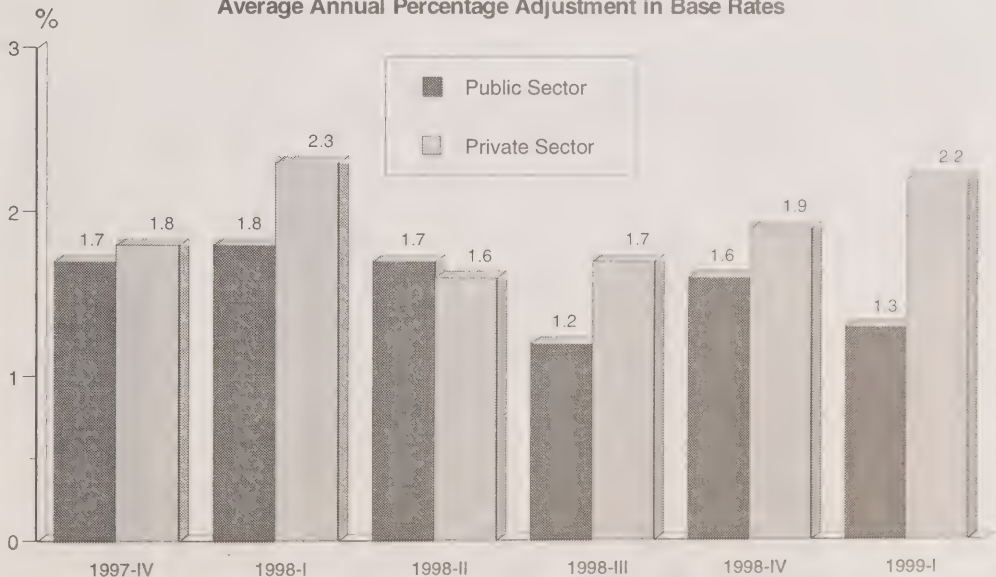
Adjustment Range	Agreements		Employees	
	Number	Percentage	Number	Percentage
less than 0%	2	2.1	2,100	0.9
0%	9	9.6	14,910	6.3
>0.0% to 0.9%	11	11.7	69,780	29.4
1.0% to 1.9%	34	36.2	70,320	29.6
2.0% to 2.9%	26	27.7	65,260	27.5
3.0% to 3.9%	9	9.6	9,870	4.2
4.0% to 4.9%	1	1.1	620	0.3
5.0% to 6.1%	2	2.1	4,500	1.9
All Levels	94	100.0	237,360	100.0

Note: Percentages may not add to 100.0 due to rounding.

Source: Workplace Information Directorate

Chart B

**Major Wage Settlements – Public and Private Sectors
Average Annual Percentage Adjustment in Base Rates**



Source: Workplace Information Directorate

Ontario, where 97,210 employees (in public administration, education and the utilities sector) received wage adjustments averaging 1.2 per cent.

In British Columbia 48,150 employees, (in health, education and the utilities sector) gained increases averaging 0.7 per cent.

In the federal public sector, 19,660 employees gained increases averaging 2.0 per cent; they included 15,030 employees under the *Public Service Staff Relations Act*, with increases averaging 2.1 per cent.

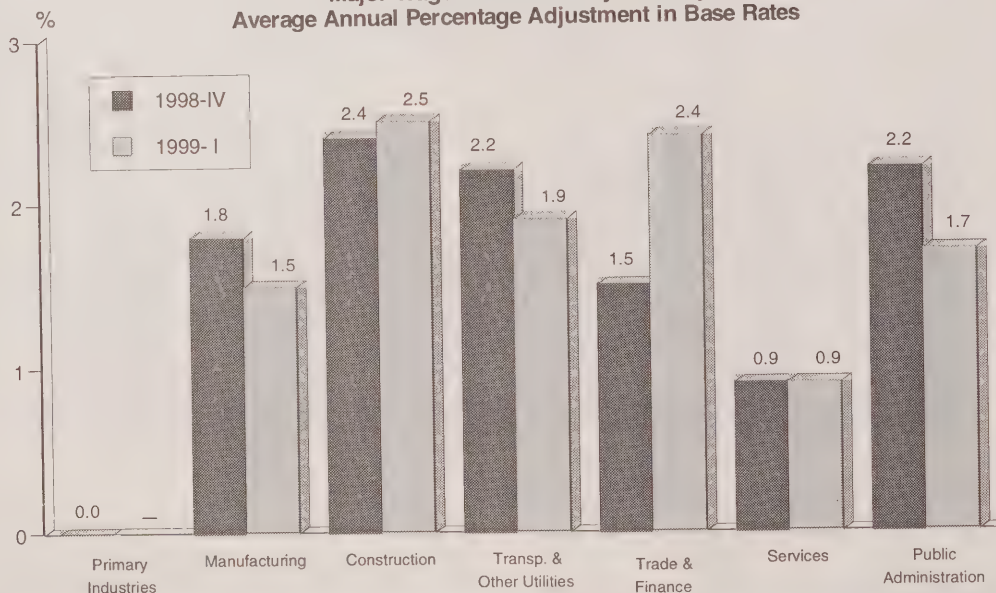
Private-sector wage gains for 52,000 employees in 24 agreements averaged 2.2 per cent, up from 1.9 per cent in the fourth quarter of 1998 and for that year as a whole (see Chart B). Since the third quarter of 1992, average wage adjustments in the private sector have not reached the 2.2 per cent level, except in the first quarter of 1998 (at 2.3 per cent).

The largest concentration of private-sector agreements was in Ontario, 18,230 employees with wage adjustments averaging 2.2 per cent; the vast majority of these employees (15,150) were in the Construction sector, with wage gains averaging 2.5 per cent. In Quebec, 13,750 private-sector employees received wage increases averaging 1.2 per cent; 8,410 construction employees gained an increase of 0.7 per cent, while 4,370 Manufacturing sector employees obtained increases averaging 1.7 per cent. For 13,420 private-sector employees in the federal jurisdiction (all in the transportation and communication sector), wage adjustments averaged 1.9 per cent.

Wage Adjustments by Industry

On an industry basis, the largest concentration of employees (101,450 employees in 43 agreements accounting for 43 per cent of all workers) in first-quarter settlements was in the Community, Business and Personal Services sector; wage adjustments in this industry division averaged 0.9 per cent, the smallest average increase by industry (see Chart C). In Manufacturing, wage adjustments were equal to the all-industry average of 1.5 per cent (10 agreements covering 7,970 employees). Wage adjustments in all other sectors were above the all-industry average. In Public Administration, wage adjustments averaged 1.7 per cent for 65,500 employees in 17 agreements, and in Transportation, Communication and Other Utilities, wage gains averaged 1.9 per cent in 13 agreements covering 32,000 employees. In the Trade-Finance sector, wage gains averaged 2.4 per cent but the results are based on only two agreements covering 1,480 employees. The largest increases were in the Construction sector with nine agreements providing 28,960 employees with wage adjustments averaging 2.5 per cent. There were no settlements in Primary Industries.

Chart C
Major Wage Settlements by Industry
Average Annual Percentage Adjustment in Base Rates

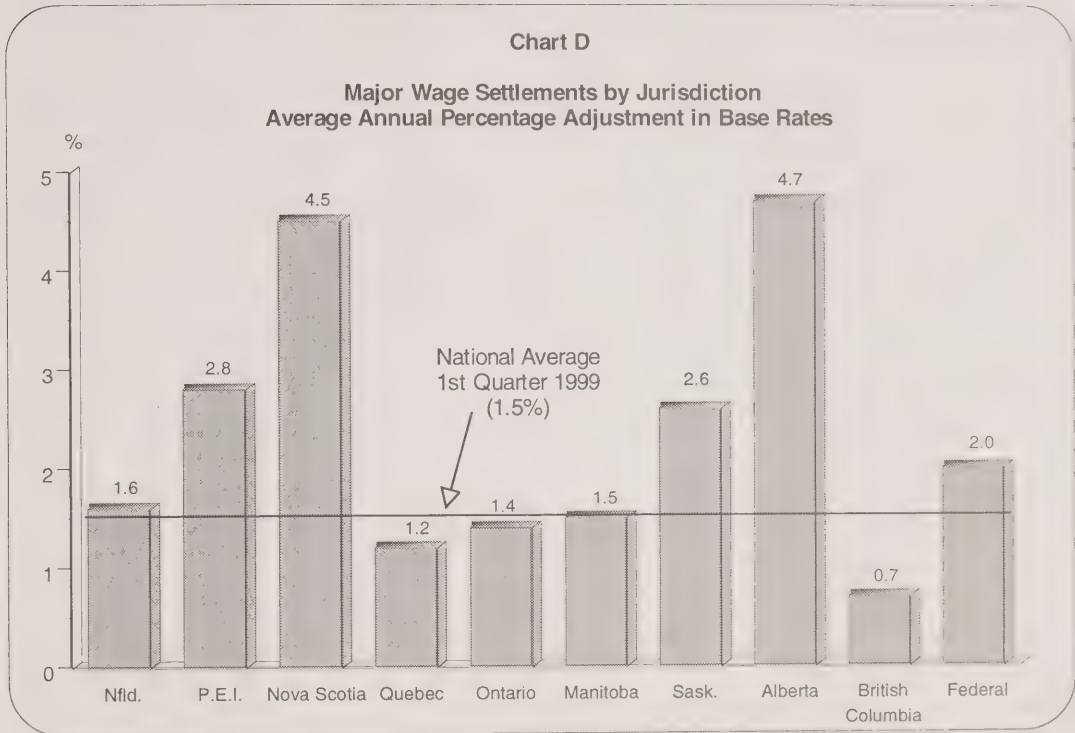


Source: Workplace Information Directorate

Wage Adjustments by Region/Jurisdiction

On a regional/jurisdictional basis, the largest concentration of employees was in Ontario (115,440 employees in 50 agreements accounting for 49 per cent of all workers); wage adjustments in Ontario averaged 1.4 per cent (see Chart D). The smallest increase was in British Columbia where 48,720 employees received wage increases averaging

0.7 per cent. The largest average wage gain was in the Prairie provinces at 3.3 per cent (19,050 employees in 15 agreements). In the Atlantic provinces, wage gains averaged 2.6 per cent (2,520 employees in four agreements), in Quebec, 1.2 per cent (17,650 employees in ten agreements), and in the federal jurisdiction, 2.0 per cent (33,080 employees in eight agreements). There was a single agreement covering 900 employees in more than one province, providing a wage increase of 1.8 per cent.



Source: Workplace Information Directorate

MAJOR SETTLEMENTS REACHED IN THE FIRST QUARTER OF 1999

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Manufacturing (10 agreements)	7,970	1.5	-0.6	53.6	
Abitibi-Consolidated Inc., production employees, Alma (Que.)	560	2.2	0.0	84	2005-04-30
Bombardier inc.(groupe materiel de transport), production employees, La Pocatière (Que.)	890	2.4	2.1	60	2003-09-30
Brasserie Molson O'Keefe, production employees, Montréal (Que.)	1,440	1.6	2.0	58	2003-12-31
C.S. Brooks Canada Inc., production employees, Magog (Que.)	760	1.3	1.3	12	2000-02-16
Canadian Fabricated Products Ltd., a subsidiary of Johnson Controls, plant and maintenance employees, Stratford (Ont.)	750	2.0*	0.9	36	2001-12-15
Corner Brook Pulp and Paper Limited, mill employees, Corner Brook (Nfld.)	630	1.8	0.0	72	2004-05-31
Harmac Pacific Incorporated, mill employees, Nanaimo (B.C.)	570	2.0	0.0	72	2003-04-30
Quality Meat Packers Limited, plant and maintenance employees, Toronto (Ont.)	800	-2.8	-17.0	73	2004-11-30
Stone-Consolidated Inc. (Division Port-Alfred), production employees, La Baie (Que.)	720	1.2	0.0	44	2001-12-31
Textron Automotive Interiors, plant and maintenance employees, Port Hope (Ont.)	850	3.0	3.6	36	2001-12-31
Construction (9 agreements)	28,960	2.5	2.4	40.2	
Alberta Construction Labour Relations Association, carpenters, province-wide (Alta.)	4,000	6.1	6.2	24	2001-04-30
Alberta Construction Labour Relations Association, sheet metal workers, province-wide (Alta.)	500	6.1	6.2	24	2001-04-30
Association of Provincial Housing Contractors of Quebec, construction trades, province-wide (Que.)	8,410	0.7	0.0	76	2001-04-27
Canadian Automatic Sprinkler Association, plumbers and pipefitters, Canada-wide	900	1.8	1.6	36	2001-09-30
Carpenters' Employer Bargaining Agency, carpenters, province-wide (Ont.)	12,000	2.5	2.6	24	2001-04-30
Electrical Power Systems Construction Association, construction trades, province-wide (Ont.)	1,000	1.2	2.7	36	2001-04-30
Hand Association of Sewer, Watermain and Road Contractors, labourers, Hamilton (Ont.)	850	2.6	2.6	36	2001-12-31
Interior Systems Contractors Association of Ontario, drywall employees, province-wide (Ont.)	800	2.6	2.8	24	2001-04-30
Ottawa Construction Association, carpenters, Ottawa (Ont.)	500	2.7	2.8	24	2001-04-30
Transportation, Communication and Other Utilities (13 agreements)	32,000	1.9	1.9	32.1	
BC Tel, telephone operators, province-wide (B.C.)	10,300	2.0	2.0	24	2000-12-31
British Columbia Hydro and Power Authority, office and clerical employees, province-wide (B.C.)	2,660	0.6	0.0	60	2002-03-31

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Transportation, Communication and Other Utilities (continued)					
British Columbia Hydro and Power Authority, utility workers, province-wide (B.C.)	1,390	0.7	0.0	54	2002-03-31
Canadian Freightways Limited, truck drivers, province-wide (Alta.)	570	0.0	0.0	36	2000-12-31
Hamilton Street Railway Company, operating employees, Hamilton (Ont.)	500	1.3	1.0	36	2001-03-31
Hydro-Quebec, engineers, province-wide (Que.)	1,500	0.0	0.0	36	1998-12-31
Ontario Hydro, scientific and other professionals, province-wide (Ont.)	5,570	2.5	2.5	24	2000-12-31
Quebec Urban Community Transit Commission, bus drivers, Québec (Que.)	700	2.1	1.0	72	2003-06-30
SaskEnergy Inc., office and clerical employees, province-wide (Sask.)	760	2.0	2.0	36	2001-01-31
Saskatchewan Telecommunications, telephone operators, province-wide (Sask.)	3,900	3.3	3.4	36	2001-03-24
TELUS Communications Inc., craft and service employees, province-wide (Alta.)	2,550	2.0	2.0	24	2000-12-31
Toronto Hydro-Electric Commission, hourly rated employees, Toronto (Ont.)	960	1.7	2.5	24	2001-01-31
Toronto Hydro-Electric Commission, salaried employees, Toronto (Ont.)	640	1.7	2.5	24	2001-01-31
Trade and Finance (2 agreements)	1,480	2.4	0.7	51.7	
Quebec Area Automobile Dealers Corporation, mechanics, Québec (Que.)	970	2.6	0.0	60	2002-11-02
Saskatchewan Crop Insurance Corporation, office and clerical employees, Regina (Sask.)	510	2.0	2.0	36	2000-09-30
Community, Business and Personal Services (43 agreements)	101,450	0.9	0.6	30.9	
Algoma District School Board, elementary teachers, Sault Ste. Marie (Ont.)	560	1.7	2.0	24	2000-08-31
Black Gold Regional Division No. 18, elementary and secondary teachers, Nisku (Alta.)	510	3.8	4.5	24	2000-08-31
Board of School Trustees of the Edmonton Catholic Regional Division No 40, office and clerical employees, Edmonton (Alta.)	560	3.9	3.9	12	1999-08-31
Carleton University, teaching assistants, Ottawa (Ont.)	1,200	3.0	3.0	24	2000-08-31
District School Board of Niagara, occasional teachers, St. Catharines (Ont.)	500	3.3	6.7	24	2000-08-31
District School Board of Niagara, secondary teachers, St. Catharines (Ont.)	1,000	0.7	1.5	24	2000-08-31
Dufferin Peel Catholic District School Board, secondary teachers, Mississauga (Ont.)	1,450	1.0	1.0	24	2000-08-31
Dufferin-Peel Catholic District School Board, plant and maintenance employees, Mississauga (Ont.)	560	1.3	2.0	18	1999-09-30
Durham District School Board, occasional teachers, Whitby (Ont.)	650	0.6	1.5	28	2000-12-31
Durham District School Board, secondary teachers, Whitby (Ont.)	1,250	0.0	0.0	24	2000-08-31
Durham District School Board, teaching assistants, Whitby (Ont.)	580	1.0	1.5	18	2000-06-30
Government of Newfoundland and Labrador, instructors, tutors and lecturers, province-wide (Nfld.)	640	1.3	0.0	65	2001-08-31
Government of Ontario, health service-non-professionals, province-wide (Ont.)	9,140	1.4	1.0	36	2001-12-31
Government of Prince Edward Island, office and clerical employees, province-wide (P.E.I.)	630	2.8	2.8	12	1999-06-30

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Community, Business and Personal Services (continued)					
Government of the Yukon, elementary and secondary teachers, territory-wide (Y.T.)	630	1.5	1.5	24	2000-06-30
Grand Erie District School Board, elementary teachers, Brantford (Ont.)	1,210	3.9	6.9	24	2000-08-31
Greater Essex County District School Board, secondary teachers, Windsor (Ont.)	700	0.0	0.0	24	2000-08-31
Hamilton-Wentworth Catholic District School Board, secondary teachers, Hamilton (Ont.)	500	1.0	0.0	24	2000-08-31
Hastings and Prince Edward District School Board, elementary teachers, Belleville (Ont.)	710	1.1	2.3	24	2000-08-31
Health Employers Association of British Columbia, nurses, province-wide (B.C.)	26,000	0.7	0.0	36	2001-03-31
Health Employers Association of British Columbia, para-medical professional employees, province-wide (B.C.)	10,100	0.7	0.0	36	2001-03-31
Manitoba Lotteries Corporation, casino employees, Winnipeg (Man.)	1,030	2.0	2.0	12	2000-03-25
McGill University, office and clerical employees, Montréal (Que.)	1,700	2.5	3.5	24	2000-11-30
Niagara Catholic District School Board, support employees, Welland (Ont.)	850	1.2	2.1	40	2001-12-31
Northern Alberta Institute of Technology, administrative services employees, Edmonton (Alta.)	570	3.0	3.0	12	1999-07-24
Ontario Jockey Club, racetrack employees, province-wide (Ont.)	680	1.5	1.5	48	2002-12-31
Ottawa-Carleton District School Board, elementary teachers, Nepean (Ont.)	2,790	0.0	0.0	24	2000-08-31
Peterborough-Victoria-Northumberland and Clarington Catholic District School Board, elementary and secondary teachers, Peterborough (Ont.)	670	0.5	1.0	24	2000-08-31
Post-Secondary Employers' Association, college professors, province-wide (B.C.)	8,000	0.7	0.0	36	2001-03-31
Seven Oaks School Division No.10, elementary and secondary teachers, Seven Oaks (Man.)	640	1.3	1.5	18	1998-06-30
Toronto Catholic District School Board, secondary teachers, Toronto (Ont.)	2,000	0.0	0.0	24	2000-08-31
Toronto District School Board, instructors, tutors and lecturers, Toronto (Ont.)	3,000	0.0	0.0	24	2000-08-31
Toronto District School Board, custodial employees, Toronto (Ont.)	3,300	0.5	0.0	24	2000-08-31
Toronto District School Board, office and clerical employees, Toronto (Ont.)	7,600	0.5	0.0	24	2000-08-31
Transcona-Springfield School Division No. 12, elementary and secondary teachers, Transcona (Man.)	540	1.3	1.5	18	1998-06-30
University of Manitoba, support employees, Winnipeg (Man.)	1,800	1.3	1.0	36	2001-09-30
University of Regina, professors, Regina (Sask.)	600	1.4	1.0	42	2002-06-30
Upper Canada District School Board, elementary teachers, Brockville (Ont.)	1,300	-0.1	-0.2	24	2000-08-31
Upper Canada District School Board, secondary teachers, Brockville (Ont.)	900	0.0	0.0	24	2000-08-31
York Catholic District School Board, elementary and secondary teachers, Aurora (Ont.)	2,200	0.0	0.0	24	2000-08-31

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Community, Business and Personal Services (continued)					
York Catholic District School Board, office and clerical employees, Aurora (Ont.)	620	1.1	1.0	32	2001-08-31
York Region District School Board, office and clerical employees, Aurora (Ont.)	980	1.1	1.0	32	2001-08-31
York Region District School Board, service and maintenance employees, Aurora (Ont.)	600	1.1	1.0	32	2001-08-31
Public Administration(17 agreements)	65,500	1.7	1.5	32.6	
City of Saskatoon, inside employees, Saskatoon (Sask.)	1,380	2.0	2.0	36	2000-12-31
Government of Alberta, technical employees, province-wide (Alta.)	1,750	2.3	2.4	24	1999-08-31
Government of Canada, correctional officers, Canada-wide	4,610	2.2	2.5	36	2000-05-30
Government of Canada, ship maintenance employees, Halifax (N.S.)	760	2.3	2.5	24	1999-12-31
Government of Canada, scientific and other professionals, Canada-wide	9,660	2.0	2.0	24	1999-06-21
Government of Ontario, administrative services employees, province-wide (Ont.)	16,580	1.4	1.0	36	2001-12-31
Government of Ontario, administrative services employees, province-wide (Ont.)	11,000	1.4	1.0	36	2001-12-31
Government of Ontario, correctional officers, province-wide (Ont.)	5,760	1.4	1.0	36	2001-12-31
Government of Ontario, engineers, province-wide (Ont.)	500	1.1	0.9	24	2000-12-31
Government of Ontario, service and maintenance employees, province-wide (Ont.)	2,280	1.4	1.0	36	2001-12-31
Government of Ontario, technical employees, province-wide (Ont.)	4,070	1.4	1.0	36	2001-12-31
Government of the Northwest Territories, office and clerical employees, territory-wide (N.W.T.)	4,000	2.0	2.0	24	2000-03-31
Halifax Regional Municipality, outside employees, Halifax (N.S.)	620	4.5	3.0	36	2000-10-31
Niagara Parks Commission, recreational employees, Niagara Falls (Ont.)	780	2.0	2.0	24	2000-10-31
Niagara Regional Police Services Board, police officers, Niagara Region (Ont.)	570	3.5	3.5	24	1999-12-31
Ontario Housing Corporation, service and maintenance employees, Metropolitan Toronto (Ont.)	500	1.5	1.5	24	2000-03-31
Regional Municipality of Niagara, office and clerical employees, Niagara Region (Ont.)	680	2.3	3.0	36	2001-12-31
Agreements with COLA (1 agreement)	750	36.0	2.0	0.9	
Agreements without COLA (93 agreements)	236,610	33.6	1.5	1.2	
All agreements (94 agreements)	237,360	33.6	1.5	1.2	

Source: Workplace Information Directorate

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* Cost-of-Living Allowance (COLA) formulae are quantified using a combination of the latest relevant Consumer Price Index (CPI) data available and/or a projected CPI increase of 2.0 per cent. Consult the Technical Notes for information on the calculation of the yield from COLA increases, and definitions of the industry and sector divisions used in this publication.

Table A-1

**Effective Wage Adjustment in Base Rates, Number of Agreements and Employees Covered,
by Year and Quarter**

	1996	1997	1998	1998			1999
				2	3	4	1
All Industries							
Wage Adjustment (%)	0.9	1.5	1.6	1.7	1.4	1.7	1.5
Number of Agreements	377	380	390	123	100	100	94
Number of Employees (000's)	809.8	694.5	912.7	267.9	267.8	242.1	237.4
Private Sector							
Wage Adjustment (%)	1.7	1.8	1.8	1.6	1.7	1.9	2.2
Number of Agreements	164	160	173	68	49	33	24
Number of Employees (000's)	243.9	324.1	267.6	109.6	81.9	37.8	52.0
Public Sector							
Wage Adjustment (%)	0.5	1.2	1.5	1.7	1.2	1.6	1.3
Number of Agreements	213	220	217	55	51	67	70
Number of Employees (000's)	565.9	370.4	645.1	158.3	185.9	204.3	185.4
Federal Administration							
Wage Adjustment (%)	0.0	3.2	2.2	2.0	2.2	2.2	2.1
Number of Agreements	1	1	16	2	6	6	3
Number of Employees (000's)	0.6	8.7	124.2	3.9	16.0	100.5	15.0
Federal Crown Corporations							
Wage Adjustment (%)	0.4	1.4	2.2	2.5	1.5	-	-
Number of Agreements	5	8	7	6	1	-	-
Number of Employees (000's)	10.1	65.4	9.3	6.3	3.0	-	-
Provincial Administration							
Wage Adjustment (%)	0.2	1.2	1.6	2.2	0.9	1.6	1.6
Number of Agreements	37	26	30	9	5	8	15
Number of Employees (000's)	151.8	45.1	111.7	51.3	37.7	10.9	58.4
Local Administration							
Wage Adjustment (%)	1.1	1.3	1.5	1.1	2.2	2.1	2.5
Number of Agreements	31	34	32	8	9	4	6
Number of Employees (000's)	48.8	43.8	49.1	11.6	12.0	4.4	4.5
Education, Health and Welfare							
Wage Adjustment (%)	0.5	1.0	1.3	1.4	1.1	0.9	0.9
Number of Agreements	122	147	130	30	30	48	41
Number of Employees (000's)	319.1	203.0	348.7	85.1	117.1	87.4	99.7
Public Utilities							
Wage Adjustment (%)	0.9	1.6	1.4	-	-	2.0	2.2
Number of Agreements	17	4	2	-	-	1	5
Number of Employees (000's)	35.4	4.4	2.1	-	-	1.2	7.8

Table A-2

**Effective Wage Adjustment in Base Rates, by Effective Period,
First Quarter 1999**

Sector/ Agreement Duration	Number of Agreements	Number of Employees	First 12 Months	Second 12 Months	Third 12 Months	Fourth 12 Months	Average Annual Adjustment	Average Agreement Duration
		(000's)	(%)	(%)	(%)	(%)	(%)	(Months)
All Industries								
17 Months or Less	5	3.6	2.5	-	-	-	2.5	12.0
18-29 Months	45	95.0	1.9	1.7	-	-	1.8	23.9
30-41 Months	29	117.2	0.8	1.0	2.0	0.0	1.3	36.0
42 Months or More	15	21.7	-0.3	1.2	0.9	0.8	1.0	66.6
All Agreements	94	237.4	1.2	1.3	1.8	0.6	1.5	33.6
Private Sector								
17 Months or Less	1	0.8	1.3	-	-	-	1.3	12.0
18-29 Months	7	30.7	2.9	2.8	-	-	2.8	24.0
30-41 Months	6	4.9	2.0	1.6	1.9	-	1.9	36.0
42 Months or More	10	15.7	-0.5	1.3	0.9	0.8	1.0	69.6
All Agreements	24	52.0	1.8	2.2	1.1	0.8	2.2	38.7
Public Sector								
17 Months or Less	4	2.8	2.8	-	-	-	2.8	12.0
18-29 Months	38	64.3	1.4	1.2	-	-	1.3	23.8
30-41 Months	23	112.2	0.8	0.9	2.0	0.0	1.2	36.0
42 Months or More	5	6.0	0.2	1.0	1.1	0.8	0.9	58.7
All Agreements	70	185.4	1.0	1.0	1.9	0.3	1.3	32.1
Federal Administration								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	2	10.4	2.0	2.0	-	-	2.0	24.0
30-41 Months	1	4.6	2.5	2.0	2.0	-	2.2	36.0
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	3	15.0	2.2	2.0	2.0	-	2.1	27.7
Federal Crown Corporations								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-	-	-
Provincial Administration								
17 Months or Less	1	1.0	2.0	-	-	-	2.0	12.0
18-29 Months	6	13.1	2.2	2.2	-	-	2.2	24.0
30-41 Months	6	40.2	1.0	1.4	2.0	-	1.4	36.0
42 Months or More	2	4.1	0.0	1.0	0.0	0.7	0.6	57.9
All Agreements	15	58.4	1.2	1.5	1.8	0.7	1.6	34.4
Local Administration								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	1	0.6	3.5	3.5	-	-	3.5	24.0
30-41 Months	4	3.2	2.3	3.2	2.0	-	2.5	36.0
42 Months or More	1	0.7	1.0	1.0	5.6	1.0	2.1	72.0
All Agreements	6	4.5	2.2	2.9	2.6	1.0	2.5	40.1
Education, Health and Welfare								
17 Months or Less	3	1.8	3.2	-	-	-	3.2	12.0
18-29 Months	27	38.7	0.9	0.6	-	-	0.8	23.7
30-41 Months	9	58.1	0.3	0.3	1.9	0.0	0.8	35.9
42 Months or More	2	1.2	0.5	1.0	2.0	1.0	1.4	53.9
All Agreements	41	99.7	0.6	0.4	1.9	0.3	0.9	31.0
Public Utilities								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	2	1.6	2.5	1.0	-	-	1.7	24.0
30-41 Months	3	6.2	2.4	2.3	2.2	0.0	2.3	36.0
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	5	7.8	2.4	2.0	2.2	0.0	2.2	33.5

Table B-1

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1996	1997	1998	1998			1999
				2	3	4	1
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Industries							
Agreements without COLA	0.6	1.4	1.6	1.6	1.3	1.7	1.5
Agreements with COLA	2.5	1.7	2.5	2.3	2.2	3.2	2.0
All Agreements	0.9	1.5	1.6	1.7	1.4	1.7	1.5
Primary Industry							
Agreements without COLA	1.7	1.9	1.1	2.8	-	0.0	-
Agreements with COLA	1.6	1.7	-	-	-	-	-
All Agreements	1.7	1.7	1.1	2.8	-	0.0	-
Manufacturing							
Agreements without COLA	2.8	2.1	0.9	0.6	0.7	1.4	1.4
Agreements with COLA	2.7	2.6	2.7	2.4	3.0	3.2	2.0
All Agreements	2.7	2.2	1.4	1.1	1.3	1.8	1.5
Construction							
Agreements without COLA	0.0	1.6	2.4	2.7	1.9	2.3	2.5
Agreements with COLA	1.2	-	2.5	-	2.4	2.7	-
All Agreements	0.1	1.6	2.4	2.7	2.0	2.4	2.5
Transportation, Communication and Other Utilities							
Agreements without COLA	0.7	1.7	1.9	2.1	1.7	1.9	1.9
Agreements with COLA	1.9	1.5	1.9	-	1.5	4.1	-
All Agreements	0.7	1.6	1.9	2.1	1.7	2.2	1.9
Trade; Finance, Insurance and Real Estate							
Agreements without COLA	0.7	1.7	1.5	1.1	1.9	1.5	2.4
Agreements with COLA	0.2	1.6	2.8	-	2.8	-	-
All Agreements	0.6	1.7	1.5	1.1	2.0	1.5	2.4
Community, Business and Personal Services							
Agreements without COLA	0.6	1.0	1.3	1.4	1.1	0.9	0.9
Agreements with COLA	0.8	1.5	0.9	1.3	0.0	-	-
All Agreements	0.6	1.0	1.3	1.4	1.1	0.9	0.9
Public Administration							
Agreements without COLA	0.2	1.4	1.8	1.7	1.4	2.2	1.7
Agreements with COLA	4.9	-	-	-	-	-	-
All Agreements	0.4	1.4	1.8	1.7	1.4	2.2	1.7

Table B-2

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1996		1997		1998	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)	
All Industries						
Agreements without COLA	330	707.9	343	582.0	355	880.1
Agreements with COLA	47	101.9	37	112.5	35	32.5
All Agreements	377	809.8	380	694.5	390	912.7
Primary Industry						
Agreements without COLA	8	7.0	3	2.3	2	1.8
Agreements with COLA	3	3.5	5	8.3	-	-
All Agreements	11	10.5	8	10.6	2	1.8
Manufacturing						
Agreements without COLA	49	34.3	41	49.7	48	61.3
Agreements with COLA	32	77.1	21	22.6	25	23.9
All Agreements	81	111.4	62	72.3	73	85.1
Construction						
Agreements without COLA	10	8.5	32	104.8	45	92.8
Agreements with COLA	2	1.1	-	-	3	2.2
All Agreements	12	9.6	32	104.8	48	95.0
Transportation, Communication and Other Utilities						
Agreements without COLA	62	131.3	27	67.6	39	80.4
Agreements with COLA	5	4.2	5	59.5	3	4.0
All Agreements	67	135.5	32	127.1	42	84.4
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	16	30.8	29	56.2	15	24.5
Agreements with COLA	1	9.4	4	18.7	1	0.8
All Agreements	17	40.2	33	74.9	16	25.3
Community, Business and Personal Services						
Agreements without COLA	139	347.8	164	228.6	144	371.4
Agreements with COLA	2	1.1	2	3.4	3	1.7
All Agreements	141	348.9	166	232.0	147	373.0
Public Administration						
Agreements without COLA	46	148.2	47	72.9	62	248.1
Agreements with COLA	2	5.5	-	-	-	-
All Agreements	48	153.7	47	72.9	62	248.1

Table B-2 (continued)

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1998						1999	
	2		3		4		1	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Industries								
Agreements without COLA	108	253.9	91	258.9	94	236.4	93	236.6
Agreements with COLA	15	14.0	9	8.9	6	5.7	1	0.8
All Agreements	123	267.9	100	267.8	100	242.1	94	237.4
Primary Industry								
Agreements without COLA	1	0.7	-	-	1	1.1	-	-
Agreements with COLA	-	-	-	-	-	-	-	-
All Agreements	1	0.7	-	-	1	1.1	-	-
Manufacturing								
Agreements without COLA	16	30.7	13	9.4	12	12.4	9	7.2
Agreements with COLA	13	12.8	4	3.0	4	4.5	1	0.8
All Agreements	29	43.6	17	12.4	16	17.0	10	8.0
Construction								
Agreements without COLA	17	28.5	17	35.6	9	10.5	9	29.0
Agreements with COLA	-	-	2	1.6	1	0.6	-	-
All Agreements	17	28.5	19	37.2	10	11.1	9	29.0
Transportation, Communication and Other Utilities								
Agreements without COLA	18	40.2	9	27.5	3	3.5	13	32.0
Agreements with COLA	-	-	1	3.0	1	0.5	-	-
All Agreements	18	40.2	10	30.5	4	4.1	13	32.0
Trade; Finance, Insurance and Real Estate								
Agreements without COLA	8	9.4	2	7.4	3	6.1	2	1.5
Agreements with COLA	-	-	1	0.8	-	-	-	-
All Agreements	8	9.4	3	8.2	3	6.1	2	1.5
Community, Business and Personal Services								
Agreements without COLA	35	101.4	34	120.3	50	88.7	43	101.5
Agreements with COLA	2	1.2	1	0.5	-	-	-	-
All Agreements	37	102.6	35	120.8	50	88.7	43	101.5
Public Administration								
Agreements without COLA	13	43.1	16	58.7	16	114.0	17	65.5
Agreements with COLA	-	-	-	-	-	-	-	-
All Agreements	13	43.1	16	58.7	16	114.0	17	65.5

Table B-3

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, First Quarter 1999**

	17 Months or Less			18-29 Months		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	5	3.6	2.5	45	95.0	1.8
Agreements with COLA	-	-	-	-	-	-
All Agreements	5	3.6	2.5	45	95.0	1.8
Primary Industry						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Manufacturing						
Agreements without COLA	1	0.8	1.3	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	0.8	1.3	-	-	-
Construction						
Agreements without COLA	-	-	-	5	17.8	3.5
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	5	17.8	3.5
Transportation, Communication and Other Utilities						
Agreements without COLA	-	-	-	5	20.0	2.1
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	5	20.0	2.1
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Community, Business and Personal Services						
Agreements without COLA	4	2.8	2.8	27	38.7	0.8
Agreements with COLA	-	-	-	-	-	-
All Agreements	4	2.8	2.8	27	38.7	0.8
Public Administration						
Agreements without COLA	-	-	-	8	18.5	2.0
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	8	18.5	2.0

Table B-3 (continued)

Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, First Quarter 1999

	30-41 Months			42 Months or More		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	28	116.4	1.3	15	21.7	1.0
Agreements with COLA	1	0.8	2.0	-	-	-
All Agreements	29	117.2	1.3	15	21.7	1.0
Primary Industry						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Manufacturing						
Agreements without COLA	1	0.9	3.0	7	5.6	1.2
Agreements with COLA	1	0.8	2.0	-	-	-
All Agreements	2	1.6	2.5	7	5.6	1.2
Construction						
Agreements without COLA	3	2.8	1.8	1	8.4	0.7
Agreements with COLA	-	-	-	-	-	-
All Agreements	3	2.8	1.8	1	8.4	0.7
Transportation, Communication and Other Utilities						
Agreements without COLA	5	7.2	2.1	3	4.8	0.8
Agreements with COLA	-	-	-	-	-	-
All Agreements	5	7.2	2.1	3	4.8	0.8
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	1	0.5	2.0	1	1.0	2.6
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	0.5	2.0	1	1.0	2.6
Community, Business and Personal Services						
Agreements without COLA	9	58.1	0.8	3	1.9	1.4
Agreements with COLA	-	-	-	-	-	-
All Agreements	9	58.1	0.8	3	1.9	1.4
Public Administration						
Agreements without COLA	9	47.0	1.6	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	9	47.0	1.6	-	-	-

Table B-4

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, First Quarter 1999**

	Number of Agreements	Number of Employees	Average Annual Adjustment	First 12 Months	Average Agreement Duration
		(000's)	(%)	(%)	(Months)
All Industries					
Agreements without COLA	93	236.6	1.5	1.2	33.6
Agreements with COLA	1	0.8	2.0	0.9	36.0
All Agreements	94	237.4	1.5	1.2	33.6
Primary Industry					
Agreements without COLA	-	-	-	-	-
Agreements with COLA	-	-	-	-	-
All Agreements	-	-	-	-	-
Manufacturing					
Agreements without COLA	9	7.2	1.4	-0.7	55.4
Agreements with COLA	1	0.8	2.0	0.9	36.0
All Agreements	10	8.0	1.5	-0.6	53.6
Construction					
Agreements without COLA	9	29.0	2.5	2.4	40.2
Agreements with COLA	-	-	-	-	-
All Agreements	9	29.0	2.5	2.4	40.2
Transportation, Communication and Other Utilities					
Agreements without COLA	13	32.0	1.9	1.9	32.1
Agreements with COLA	-	-	-	-	-
All Agreements	13	32.0	1.9	1.9	32.1
Trade; Finance, Insurance and Real Estate					
Agreements without COLA	2	1.5	2.4	0.7	51.7
Agreements with COLA	-	-	-	-	-
All Agreements	2	1.5	2.4	0.7	51.7
Community, Business and Personal Services					
Agreements without COLA	43	101.5	0.9	0.6	30.9
Agreements with COLA	-	-	-	-	-
All Agreements	43	101.5	0.9	0.6	30.9
Public Administration					
Agreements without COLA	17	65.5	1.7	1.5	32.6
Agreements with COLA	-	-	-	-	-
All Agreements	17	65.5	1.7	1.5	32.6

Table C-1

**Effective Wage Adjustment in Base Rates, by Region/Jurisdiction,
by Year and Quarter**

	1996	1997	1998	1998			1999
				2	3	4	1
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Sectors							
CANADA	0.9	1.5	1.6	1.7	1.4	1.7	1.5
<i>Atlantic</i>	1.7	1.3	1.9	1.4	2.0	1.8	2.6
Newfoundland	2.0	1.7	1.3	1.1	-	-	1.6
Prince Edward Island	1.7	-	2.1	2.1	-	2.1	2.8
Nova Scotia	1.7	2.0	2.5	1.9	1.9	1.8	4.5
New Brunswick	1.7	1.0	1.5	1.3	2.0	1.7	-
Quebec	1.7	1.3	0.9	0.4	2.4	1.7	1.2
Ontario	0.9	1.1	1.6	1.8	2.0	0.8	1.4
<i>Prairies</i>	0.7	2.0	2.4	2.7	1.8	2.3	3.3
Manitoba	0.2	1.1	1.4	1.3	0.3	1.3	1.5
Saskatchewan	1.1	0.9	1.8	2.0	1.4	2.0	2.6
Alberta	1.1	2.4	2.9	3.1	2.5	2.9	4.7
British Columbia	0.6	1.3	0.7	0.8	0.7	0.9	0.7
More than One Province	2.3	2.8	1.7	-	1.7	-	1.8
Federal	0.5	1.8	2.1	2.0	1.8	2.2	2.0
Public Sector							
CANADA	0.5	1.2	1.5	1.7	1.2	1.6	1.3
<i>Atlantic</i>	1.4	1.4	1.9	1.5	1.8	1.8	2.8
Newfoundland	0.6	2.1	1.3	1.1	-	-	1.3
Prince Edward Island	1.7	-	2.1	2.1	-	2.1	2.8
Nova Scotia	-	1.8	2.6	1.9	1.8	2.0	4.5
New Brunswick	1.5	1.3	1.5	1.5	1.8	1.5	-
Quebec	1.4	1.3	0.8	0.7	2.1	0.4	1.5
Ontario	0.3	0.6	1.3	1.5	1.9	0.7	1.2
<i>Prairies</i>	0.5	1.7	2.2	2.3	2.8	2.3	2.4
Manitoba	0.0	1.0	1.2	1.2	-	1.3	1.5
Saskatchewan	0.9	0.9	1.8	2.0	1.9	2.0	2.6
Alberta	0.8	2.2	2.5	2.7	3.2	2.8	2.9
British Columbia	0.6	0.9	0.7	0.4	0.7	0.7	0.7
More than One Province	-	-	-	-	-	-	-
Federal	0.1	1.6	2.2	2.0	2.1	2.2	2.0
Private Sector							
CANADA	1.7	1.8	1.8	1.6	1.7	1.9	2.2
<i>Atlantic</i>	2.1	1.2	1.7	0.7	2.1	1.9	1.8
Newfoundland	2.6	1.7	1.8	-	-	-	1.8
Prince Edward Island	-	-	-	-	-	-	-
Nova Scotia	1.7	2.1	1.8	1.9	2.0	1.6	-
New Brunswick	2.0	0.4	1.4	0.0	2.4	2.7	-
Quebec	2.1	1.3	1.0	0.4	2.5	1.9	1.2
Ontario	2.2	1.9	2.0	2.3	2.0	1.9	2.2
<i>Prairies</i>	2.1	2.5	3.2	4.7	-0.6	2.2	6.1
Manitoba	1.9	1.8	1.6	1.9	0.3	1.3	-
Saskatchewan	2.0	1.1	1.1	2.8	0.0	-	-
Alberta	2.2	2.6	4.6	5.4	-6.1	3.2	6.1
British Columbia	0.9	1.6	1.3	1.1	2.0	1.4	2.0
More than One Province	2.3	2.8	1.7	-	1.7	-	1.8
Federal	0.7	2.0	1.7	2.0	1.6	1.8	1.9

Table C-2

**Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter**

	1996		1997		1998	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)	
All Sectors						
CANADA	377	809.8	380	694.5	390	912.7
<i>Atlantic</i>	32	34.2	18	20.9	41	92.8
Newfoundland	9	8.0	5	6.1	7	25.4
Prince Edward Island	6	6.9	-	-	3	3.9
Nova Scotia	8	5.6	2	1.8	17	38.4
New Brunswick	9	13.8	11	13.0	14	25.0
Quebec	57	81.1	39	92.3	51	81.1
Ontario	145	300.6	176	239.3	139	267.4
<i>Prairies</i>	72	114.5	80	146.0	82	133.6
Manitoba	31	53.6	21	27.9	20	22.3
Saskatchewan	17	34.9	7	16.9	12	32.3
Alberta	24	26.0	52	101.1	50	79.1
British Columbia	31	196.4	34	69.3	30	148.6
More than One Province	1	0.6	7	7.7	2	6.0
Federal	39	82.2	26	119.0	45	183.2
Public Sector						
CANADA	213	565.9	220	370.4	217	645.1
<i>Atlantic</i>	11	18.0	8	10.9	28	81.0
Newfoundland	3	2.4	2	1.2	6	22.9
Prince Edward Island	6	6.9	-	-	3	3.9
Nova Scotia	-	-	1	0.6	10	33.0
New Brunswick	2	8.8	5	9.0	9	21.1
Quebec	20	46.0	16	19.8	14	23.6
Ontario	90	197.0	112	138.4	77	167.7
<i>Prairies</i>	56	100.1	55	100.6	61	106.1
Manitoba	25	48.5	18	24.0	11	11.7
Saskatchewan	13	30.4	4	14.5	10	30.5
Alberta	18	21.2	33	62.1	40	63.9
British Columbia	24	176.6	18	25.4	14	132.6
More than One Province	-	-	-	-	-	-
Federal	12	28.2	11	75.4	23	134.1
Private Sector						
CANADA	164	243.9	160	324.1	173	267.6
<i>Atlantic</i>	21	16.2	10	10.1	13	11.8
Newfoundland	6	5.6	3	4.9	1	2.5
Prince Edward Island	-	-	-	-	-	-
Nova Scotia	8	5.6	1	1.2	7	5.4
New Brunswick	7	5.0	6	4.0	5	3.9
Quebec	37	35.1	23	72.6	37	57.5
Ontario	55	103.7	64	100.9	62	99.7
<i>Prairies</i>	16	14.4	25	45.4	21	27.5
Manitoba	6	5.0	3	4.0	9	10.5
Saskatchewan	4	4.5	3	2.4	2	1.8
Alberta	6	4.8	19	39.0	10	15.1
British Columbia	7	19.8	16	43.9	16	15.9
More than One Province	1	0.6	7	7.7	2	6.0
Federal	27	54.1	15	43.6	22	49.1

Table C-2 (continued)

Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter

	1998						1999	
	2		3		4		1	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Sectors								
CANADA	123	267.9	100	267.8	100	242.1	94	237.4
<i>Atlantic</i>	12	30.8	8	7.9	9	10.2	4	2.5
Newfoundland	2	10.5	-	-	-	-	2	1.3
Prince Edward Island	1	1.4	-	-	2	2.5	1	0.6
Nova Scotia	4	7.9	4	3.8	4	3.8	1	0.6
New Brunswick	5	11.0	4	4.1	3	3.9	-	-
Quebec	22	46.0	8	6.1	13	15.9	10	17.7
Ontario	42	105.0	39	65.5	45	72.6	50	115.4
<i>Prairies</i>	27	48.9	17	17.1	18	27.1	15	19.1
Manitoba	5	4.1	5	3.5	6	10.1	4	4.0
Saskatchewan	5	13.4	4	4.8	1	1.2	5	7.2
Alberta	17	31.5	8	8.9	11	15.8	6	7.9
British Columbia	8	14.1	12	120.4	5	10.9	6	48.7
More than One Province	-	-	2	6.0	-	-	1	0.9
Federal	12	23.2	14	44.7	10	105.4	8	33.1
Public Sector								
CANADA	55	158.3	51	185.9	67	204.3	70	185.4
<i>Atlantic</i>	9	28.2	3	4.0	6	8.0	3	1.9
Newfoundland	2	10.5	-	-	-	-	1	0.6
Prince Edward Island	1	1.4	-	-	2	2.5	1	0.6
Nova Scotia	3	7.0	1	1.5	2	2.2	1	0.6
New Brunswick	3	9.3	2	2.5	2	3.3	-	-
Quebec	5	8.6	1	0.7	2	2.2	3	3.9
Ontario	11	65.5	23	32.8	38	64.7	41	97.2
<i>Prairies</i>	21	42.2	10	11.9	12	18.4	13	14.6
Manitoba	4	3.2	-	-	4	5.5	4	4.0
Saskatchewan	4	12.7	3	3.7	1	1.2	5	7.2
Alberta	13	26.3	7	8.2	7	11.7	4	3.4
British Columbia	2	5.2	7	117.4	2	8.2	5	48.2
More than One Province	-	-	-	-	-	-	-	-
Federal	7	8.5	7	19.0	7	102.8	5	19.7
Private Sector								
CANADA	68	109.6	49	81.9	33	37.8	24	52.0
<i>Atlantic</i>	3	2.6	5	3.9	3	2.2	1	0.6
Newfoundland	-	-	-	-	-	-	1	0.6
Prince Edward Island	-	-	-	-	-	-	-	-
Nova Scotia	1	0.9	3	2.3	2	1.6	-	-
New Brunswick	2	1.7	2	1.6	1	0.6	-	-
Quebec	17	37.3	7	5.4	11	13.7	7	13.8
Ontario	31	39.5	16	32.7	7	7.9	9	18.2
<i>Prairies</i>	6	6.7	7	5.2	6	8.7	2	4.5
Manitoba	1	0.9	5	3.5	2	4.6	-	-
Saskatchewan	1	0.7	1	1.1	-	-	-	-
Alberta	4	5.2	1	0.7	4	4.1	2	4.5
British Columbia	6	8.8	5	3.0	3	2.8	1	0.6
More than One Province	-	-	2	6.0	-	-	1	0.9
Federal	5	14.6	7	25.6	3	2.6	3	13.4

Table D

Major Wage Settlements, by Public and Private Sectors, by Year and Quarter

Year	Public Sector				Private Sector				All Sectors			
	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.
	(Months)	(000's)	(%)	(Months)	(000's)	(%)	(Months)	(000's)	(%)	(Months)	(000's)	(%)
1979	317	24.3	756.0	9.5	252	27.2	387.0	11.1	569	25.3	1,142.9	10.0
1980	325	26.0	919.4	10.9	233	27.5	298.8	11.7	558	26.3	1,218.2	11.1
1981	290	18.9	577.6	13.1	210	27.3	323.4	12.6	500	21.9	901.0	13.0
1982	319	14.6	865.1	10.4	189	25.2	282.2	9.5	508	17.2	1,147.3	10.2
1983	458	19.6	1,241.6	4.6	200	25.0	302.8	5.5	658	20.6	1,544.3	4.8
1984	277	17.0	637.4	3.9	282	26.1	518.8	3.2	559	21.1	1,156.2	3.6
1985	316	21.7	566.8	3.8	200	30.1	271.8	3.3	516	24.5	838.6	3.7
1986	322	25.4	711.2	3.6	231	26.0	410.2	3.0	553	25.6	1,121.5	3.4
1987	270	29.4	824.3	4.1	208	31.4	287.0	3.8	478	29.9	1,111.3	4.0
1988	301	24.0	698.6	4.0	241	27.2	484.1	5.0	542	25.3	1,182.7	4.4
1989	295	30.0	737.6	5.2	158	28.5	264.2	5.2	453	29.6	1,001.8	5.2
1990	283	27.4	677.8	5.6	224	29.7	468.5	5.7	507	28.4	1,146.4	5.6
1991	365	16.0	1,121.7	3.4	182	29.2	224.0	4.4	547	18.2	1,345.6	3.6
1992	302	21.7	977.3	2.0	194	32.2	329.5	2.5	496	24.3	1,306.8	2.1
1993	347	23.4	1,012.0	0.6	171	25.2	400.5	0.8	518	23.9	1,412.5	0.7
1994	299	26.5	719.8	0.0	135	34.5	222.8	1.2	434	28.4	942.6	0.3
1995	216	31.5	630.9	0.6	186	35.8	277.9	1.4	402	32.8	908.8	0.9
1996	213	31.6	565.9	0.5	164	35.0	243.9	1.7	377	32.6	809.8	0.9
1997	220	30.2	370.4	1.2	160	38.0	324.1	1.8	380	33.8	694.5	1.5
1998	217	31.0	645.1	1.5	173	34.3	267.6	1.8	390	32.0	912.7	1.6
1999*	70	32.1	185.4	1.3	24	38.7	52.0	2.2	94	33.6	237.4	1.5

* Year to Date

Quarter

1996	I	51	43.6	120.5	0.2	32	33.4	46.3	1.3	83	40.8	166.8	0.5
	II	75	27.6	287.9	0.6	48	37.5	46.6	1.6	123	29.0	334.5	0.7
	III	48	28.7	81.4	0.5	49	29.0	64.9	1.8	97	28.8	146.3	1.1
	IV	39	30.9	76.2	0.8	35	38.9	86.0	2.0	74	35.1	162.2	1.5
1997	I	52	29.7	88.2	1.0	30	36.1	40.4	2.1	82	31.7	128.6	1.3
	II	72	26.1	98.8	0.8	60	34.5	147.1	1.9	132	31.1	246.0	1.4
	III	34	31.0	44.6	0.9	41	38.2	90.7	1.5	75	35.8	135.2	1.3
	IV	62	33.1	138.8	1.7	29	50.4	45.9	1.8	91	37.4	184.7	1.7
1998	I	44	36.6	96.7	1.8	23	33.6	38.3	2.3	67	35.7	134.9	2.0
	II	55	31.6	158.3	1.7	68	27.7	109.6	1.6	123	30.0	267.9	1.7
	III	51	33.2	185.9	1.2	49	41.0	81.9	1.7	100	35.6	267.8	1.4
	IV	67	25.9	204.3	1.6	33	39.5	37.8	1.9	100	28.0	242.1	1.7
1999	I	70	32.1	185.4	1.3	24	38.7	52.0	2.2	94	33.6	237.4	1.5

Agmts. - Number of Agreements
 Avg. Adj. - Average Annual Adjustment
 Dur. - Average Agreement Duration
 Empls. - Number of Employees

Table E
Selected Economic Indicators,
by Year and Quarter

	1996	1997	1998	1998			1999
				2	3	4	1
Wage Settlements (%)	0.9	1.5	1.6	1.7	1.4	1.7	1.5
Public Sector (%)	0.5	1.2	1.5	1.7	1.2	1.6	1.3
Private Sector (%)	1.7	1.8	1.8	1.6	1.7	1.9	2.2
Agreement in Force Per Cent Change ¹	0.9	1.2	1.6	1.5	1.7	1.7	1.5
Consumer Price Index Per Cent Change ¹	1.6	1.6	0.9	1.0	0.9	1.1	0.8
GDP ² at Factor Cost ³ Per Cent Change ¹	1.4	4.0	2.8	2.9	1.9	2.4	2.6
Labour Productivity (%)	2.5	1.9	1.9	2.1	1.7	2.0	N/A
Unit Labour Cost (%)	1.2	0.9	0.8	1.0	0.9	0.8	N/A
Unemployment Rate ³ (%)	9.7	9.2	8.3	8.4	8.3	8.0	7.8
Employment (000's) ³ Per Cent Change ¹	13,676	13,941	14,326	14,268	14,336	14,517	14,650
	1.3	1.9	2.8	2.7	2.3	3.2	3.3
Average Weekly Earnings ⁴ Per Cent Change ¹	\$ 586.06	\$ 598.26	\$ 606.31	\$ 606.07	\$ 605.43	\$ 607.96	\$ 605.82
	2.1	2.1	1.3	1.0	1.3	1.2	-0.2
Average Hourly Earnings Per Cent Change ¹	\$ 14.71	\$ 14.87	\$ 15.12	\$ 15.21	\$ 14.96	\$ 15.20	\$ 15.32
	2.4	1.1	1.7	2.0	1.8	1.5	1.4

¹ Per cent change from the same period of the previous year.

² GDP - Gross domestic product at factor cost (1992) prices.

³ Seasonally adjusted data.

⁴ Average weekly earnings including overtime.

TECHNICAL NOTES

The information in this report is produced from collective agreement settlements in Canada which cover 500 or more employees in all industries. A few settlements are excluded where the basis of payment is on a piece/mileage rate basis.

The construction industry is excluded prior to 1983.

The Base Rate

The base rate is the lowest paid classification used for qualified workers in the bargaining unit. In most instances, the base rate is the rate of pay for an unskilled or semi-skilled classification of workers. However, this is not the case in contracts covering only skilled workers and professional employees.

As only the base rate in a contract is used, the resulting data on percentage change do not necessarily reflect the average wage change for all workers in the bargaining unit. For example, where an across-the-board increase is negotiated for all classifications in cents per hour (or other money terms), measurement on the base rate produces higher results than measurement on any higher rate, including the average rate. Where varying percentage or money increases are negotiated for different classifications, measurement on the base rate may produce results that are higher or lower than measurement on the average rate. Where an across-the-board increase is negotiated for all classifications in percentage terms, measurement on the base rate produces results identical to measurement on any other rate, including the average rate. It should be noted that information on the average rate for all employees in a bargaining unit is not available.

Effective Wage Increase

The effective wage increase is the increase in rates of pay including estimated cost-of-living allowance (COLA) payments. Estimates of the yield of COLA clauses are obtained by quantifying the characteristics of these clauses in each agreement and applying a combination of actual Consumer Price Index (CPI) increases available to date plus a specified projected inflation rate for the remainder of the contract duration.

In succeeding quarters, these estimates are revised using actual CPI values as they become available.

In the current report, an inflation projection of 2 per cent has been used when the actual rate is unknown. This figure is based on a rounded average of inflation forecasts and is intended for illustrative purposes only and does not constitute an official forecast by Human Resources Development Canada. The use of different inflation rate scenarios could result in varying settlement increases. The inflation projection used will be revised periodically to reflect prevailing economic conditions.

By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

Public and Private Sectors

The principal unit of observation is the collective bargaining unit; however, the designation for inclusion in the public sector is by reference to characteristics of the employer with whom a bargaining unit negotiates. Reference to the employer characteristics makes the directives consistent with Statistics Canada's use of "institutional units" or "entities".

While the criteria relate to the classification of the public sector only, *the private sector is defined by exclusion*.

Public sector bargaining units negotiate wages or other working conditions with an employer who is part of, or an agent of, a government or a government business enterprise. The distinction between the two is whether the activity engaged in is "non-commercial" (Government) or "commercial" (Government Business Enterprise).

Government (Non-Commercial)

The government component comprises all non-commercial entities controlled by governments and mainly financed out of general taxation or other public

funds. These entities provide goods and/or services free or at non-market prices (not having a view to profit).

Sub-sectors of the government component are identified below:

(1) Federal Government

Collective bargaining in the Federal Government component is conducted under the *Public Service Staff Relations Act* (Parts 1 and 2), and the *Parliamentary Employment and Staff Relations Act*.

(2) Provincial and Territorial Governments

- (a) provincial and territorial government administration;
- (b) health, education and social services agencies or institutions
 - (i) public hospitals,
 - (ii) provincial residential care facilities,
 - (iii) universities,
 - (iv) colleges, vocational and trade institutions,
 - (v) social services business enterprise,
 - (vi) provincial elementary and secondary schools.

(3) Local Government Administration

- (a) local government organizations such as: municipalities, boards, commissions;
- (b) school boards;
- (c) social services: establishments at the local level primarily engaged in providing basic domiciliary care only, such as homes for the aged, blind or senile, boarding houses for the aged, day nurseries, shelters, etc.

Government Business Enterprise (Commercial)

The commercial component of the public sector is divided into three broad sub-groupings, based on

degree of governmental control, as follows:

(1) Direct Control

A commercial enterprise is directly controlled by a government if one of the following conditions is met:

- (a) a government holds more than 50 per cent of its voting equity, directly;
- (b) a government has irrevocable options or the right to acquire shares, or convertible debt or equity, exercisable at the discretion of that government.

(2) Effective Control

A commercial enterprise is effectively controlled by a government if one of the following conditions is met:

- (a) the government holds a significant voting ownership in a public enterprise, where "significant" is understood as:
 - (i) the holding is the largest block of voting equity; and
 - (ii) the holding exceeds 33.3 per cent of the voting equity; and
 - (iii) the block is larger than the combined percentage of the next two largest blocks;
- (b) the commercial enterprise declares that it is effectively controlled by a government;
- (c) there exists a method or variety of methods (e.g. significant voting ownership of the enterprise, technological agreements, supply controls or contracts, management contracts, interlocking directorships, etc.)

(3) Indirect Control

A business enterprise is indirectly controlled by a government if that government directly or effectively controls a government business enterprise, which in turn directly or effectively controls that enterprise.

SECTION 2

EXPIRIES AND REOPENERS OF MAJOR COLLECTIVE AGREEMENTS IN JULY, AUGUST AND SEPTEMBER 1999

Note: Reopeners listed may be negotiated for wage provisions¹ and/or other provisions²

The full 1999 Calendar of Major Collective Agreement Expiries and Reopeners is now available on the Workplace Information Directorate Web Site at: <http://labour-travail.hrdc-drhc.gc.ca/doc/wid-dimt/eng/>

Company and Location	Union and Occupation	Number of Employees	Industry
JULY 1999			
QUEBEC			
Automobile Industry Employers' Association Inc., Montréal	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (hourly rated employees)	1,000	Trade
¹ Goodyear Canada Inc., Valleyfield	Communications, Energy and Paperworkers Union of Canada (CLC) (plant and maintenance employees)	1,300	Manufacturing
Nova BUS Corporation, St-Eustache	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (production employees)	500	Manufacturing
Waterville TG inc., Coaticook and Waterville	United Steelworkers of America (AF-CIO/CLC) (plant and maintenance employees)	950	Manufacturing
ONTARIO			
Algoma Steel Inc., Sault Ste. Marie	United Steelworkers of America (AFL-CIO/CLC) (salaried employees)	775	Manufacturing
Algoma Steel Inc., Sault Ste. Marie and Wawa	United Steelworkers of America (AFL-CIO/CLC) (production employees)	4,390	Manufacturing
Cara Operations Limited and Airport Services, Toronto	Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (full- and part-time food service employees)	720	Services

Company and Location	Union and Occupation	Number of Employees	Industry
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ONTARIO (continued)

DDM Plastics Inc., Tillsonburg	Intl. Assn. of Machinists and Aerospace Workers (AFL-CIO/CLC) (service and maintenance employees)	550	Manufacturing
Pinkerton's of Canada Limited, province-wide	United Steelworkers of America (AFL-CIO/CLC) (security guards)	1,800	Services
York University, Metropolitan Toronto	York University Staff Assn. (CCU) (office, clerical and technical employees)	1,100	Services

MANITOBA

Boeing Canada Technology Ltd., Winnipeg	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	810	Manufacturing
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ALBERTA

Northern Alberta Institute of Technology, Edmonton	Alberta Union of Provincial Employees (CLC) (administrative services, technical and service, and maintenance employees)	570	Services
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BRITISH COLUMBIA

Alcan Smelters and Chemicals Ltd., Kemano and Kitimat	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	1,260	Manufacturing
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MORE THAN ONE PROVINCE

National Research Council of Canada, Canada-wide	Professional Institute of the Public Service of Canada (Ind.) (scientific and other professionals)	1,100	Services
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Company and Location	Union and Occupation	Number of Employees	Industry
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AUGUST 1999

NEWFOUNDLAND

Memorial University of Newfoundland, St. John's	Memorial University of Newfoundland (Ind.) (professors and librarians)	850	Services
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QUEBEC

Bridgestone/Firestone Canada Inc., Joliette	Fédération de la métallurgie (CSN) (plant and maintenance employees)	715	Manufacturing
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ONTARIO

McMaster University, Hamilton	Cdn. Union of Public Employees (CLC) (teaching assistants)	1,200	Services
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Super Fresh Food Markets (Division of A&P Co. of Canada Limited, province-wide)	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (retail employees)	1,050	Trade
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University of Toronto, Toronto	Cdn. Union of Public Employees (CLC) (instructors, tutors, lecturers and teaching assistants)	2,500	Services
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Waterloo Region District School Board, Waterloo	Custodians and Maintenance Assn. (Ind.) (custodial and maintenance employees)	500	Services
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Waterloo Region District School Board, Waterloo	Educational Support Staff Assn. (Ind.) (support employees)	550	Services
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York University, North York	Cdn. Union of Public Employees (CLC) (teaching assistants)	1,900	Services
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ALBERTA

¹ Board of Trustees of the Calgary Board of Education, Calgary	Cdn. Union of Public Employees (CLC) (building maintenance and outside employees)	860	Services
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Company and Location	Union and Occupation	Number of Employees	Industry
ALBERTA (continued)			
Board of School Trustees of the Edmonton Catholic Regional Division No. 40, Edmonton	Alberta Teachers' Assn. (Ind.) (elementary and secondary teachers)	1,630	Services
Calgary Roman Catholic Separate School District No. 1, Calgary	Calgary Catholic School Board Support Staff Assn. (Ind.) (support employees)	660	Services
Red Deer Public School District No. 104, Red Deer	Alberta Teachers' Assn. (Ind.) (elementary and secondary teachers)	510	Services
BRITISH COLUMBIA			
Canadian Pacific Hotels Corporation (Empress Hotel), Victoria	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (hotel or restaurant employees)	510	Services
University of British Columbia, Vancouver	Cdn. Union of Public Employees (CLC) (teaching assistants)	1,160	Services
NORTHWEST TERRITORIES			
Government of the Northwest Territories, territory-wide	Northwest Territories Teachers' Assn. (Ind.) (elementary and secondary teachers)	1,000	Services
MORE THAN ONE PROVINCE			
Government of Canada, Canada-wide	Intl. Brotherhood of Electrical Workers (AFL-CIO/CLC) (electronic technicians)	1,190	Transportation
Government of Canada, Canada-wide	Public Service Alliance of Canada (CLC) (general services employees)	14,350	Public Administration

Company and Location	Union and Occupation	Number of Employees	Industry
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SEPTEMBER 1999

NEWFOUNDLAND

Memorial University of Newfoundland, St. John's	Cdn. Union of Public Employees (CLC) (administrative services and technical employees)	720	Services
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NEW BRUSWICK

New Brunswick Power Corporation, province-wide	Intl. Brotherhood of Electrical Workers (AFL-CIO/CLC) (technical employees)	620	Transportation
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QUEBEC

Holding Supermarché Loblaw Inc., Aylmer, Gatineau, and Hull	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (retail employees)	500	Trade
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ONTARIO

Chrysler Canada Ltd., Ajax, Brampton, Etobicoke, and Windsor	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (technical, production, maintenance, security, office and clerical employees)	12,540	Manufacturing
Dufferin-Peel Catholic District School Board, Mississauga	Cdn. Union of Public Employees (CLC) (plant and maintenance employees)	560	Services
Ford Motor Company of Canada Limited, Bramalea, Oakville, St. Thomas, and Windsor	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	11,690	Manufacturing
Spruce Falls Inc., Kapuskaing	Communications, Energy and Paperworkers Union of Canada (CLC), IWA-Canada (CLC), Intl. Brotherhood of Electrical Workers (AFL-CIO/CLC), and Office and Professional Employees Intl. Union (AFL-CIO/CLC) (woods operators, mill, office and clerical employees)	950	Manufacturing

Company and Location	Union and Occupation	Number of Employees	Industry
MANITOBA			
Inco Limited, Thompson	United Steelworkers of America (AFL-CIO/CLC) (mine employees)	1,400	Primary
Manitoba Public Insurance Corporation, province-wide	Manitoba Government Employees' Union (CLC) (technical, office and clerical employees)	1,070	Insurance
New Flyer Industries Limited, Transcona	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (production employees)	820	Manufacturing
Winnipeg Free Press, Division F.P. Newspapers, Division of Thompson Newspapers, Winnipeg	Communication Workers of America (AFL-CIO/CLC) (compositors, print media, office and clerical employees)	500	Manufacturing
ALBERTA			
¹ Board of School Trustees of the Edmonton Catholic Regional Division No. 40, Edmonton	Communications, Energy and Paperworkers Union of Canada (CLC) (technical, office and clerical employees)	560	Services
¹ Government of Alberta, province-wide	Alberta Union of Provincial Employees (CLC) (administrative and support services employees)	9,540	Services
¹ Government of Alberta, province-wide	Alberta Union of Provincial Employees (CLC) (administrative and program services employees)	2,540	Services
¹ Government of Alberta, province-wide	Alberta Union of Provincial Employees (CLC) (correctional officers)	1,670	Services
¹ Government of Alberta, province-wide	Alberta Union of Provincial Employees (CLC) (general tradesmen - non-construction)	630	Services
¹ Government of Alberta, province-wide	Alberta Union of Provincial Employees (CLC) (health service-non-professionals)	1,340	Services

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ALBERTA (continued)			
¹ Government of Alberta, province-wide	Alberta Union of Provincial Employees (CLC) (natural resource conservation employees)	800	Services
¹ Government of Alberta, province-wide	Alberta Union of Provincial Employees (CLC) (social workers)	2,250	Services
¹ Government of Alberta, province-wide	Alberta Union of Provincial Employees (CLC) (technical employees)	1,750	Services
MORE THAN ONE PROVINCE			
Canadian Broadcasting Corporation, Moncton, N.B. and province-wide, Que.	Cdn. Union of Public Employees (CLC) (administrative services employees)	580	Communication
General Motors of Canada Limited, London, Oshawa, St. Catharines, Windsor, and Woodstock, Ont.; and Boisbriand, Que.	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (production, warehouse and maintenance employees)	28,480	Manufacturing
Government of Canada, Canada-wide	Professional Institute of the Public Service of Canada (Ind.) (commerce officers)	1,900	Public Administration
Government of Canada, Canada-wide	Professional Institute of the Public Service of Canada (Ind.) (engineering group employees)	6,020	Public Administration
Government of Canada, Canada-wide	Professional Institute of the Public Service of Canada (Ind.) (nurses and health care employees)	1,590	Public Administration
Government of Canada, Canada-wide	Professional Institute of the Public Service of Canada (Ind.) (scientific and other professionals)	2,540	Public Administration
Interlink Freight Systems, Canada-wide	Transportation, Communications Intl. Union (AFL-CIO/CLC) (truck drivers, warehouse, office and clerical employees)	2,625	Transportation

Services - Community, Business and Personal Services

SELECTED PROVISIONS IN MAJOR COLLECTIVE AGREEMENTS*

Paid Vacation Leave Provisions in Major Collective Agreements in Canada, in 1989 and 1999

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Introduction

Over the last decade, the various demands placed on workers' personal lives have progressively changed. In order to better address the increasing requirement for balancing work, family and leisure, unions have tended to place greater emphasis on negotiating improved benefits including increased flexibility in regards to various leave provisions. In fact, more and more studies show that achieving a

balance between work and personal life can be beneficial to both employees and employers. The following overview provides a snapshot of the change over the last ten years in vacation leave provisions found in major collective agreements in Canada, by major industry and by public and private sectors. Table A below outlines the minimum standards of vacation leave by jurisdiction in 1999.

Table A

Minimum Standards of Vacation Leave by Jurisdiction in 1999

Jurisdiction	Annual Vacation
Newfoundland	2 weeks, 3 weeks after 15 years
Prince Edward Island	2 weeks
Nova Scotia	2 weeks
New Brunswick ¹	2 weeks
Quebec ²	2 weeks, 3 weeks after 5 years
Ontario	2 weeks
Manitoba	2 weeks, 3 weeks after 3 years
Saskatchewan	3 weeks, 4 weeks after 10 years
Alberta ³	2 weeks, 3 weeks after 5 years
British Columbia	2 weeks, 3 weeks after 5 years
Northwest Territories	2 weeks, 3 weeks after 5 years
Nunavut ⁴	2 weeks, 3 weeks after 5 years
Yukon	2 weeks
Federal	2 weeks, 3 weeks after 6 years

¹ The lesser of one day per month worked during the year or two weeks.

² The lesser of one day per month of uninterrupted service during the year or two weeks.

³ Where there is a common anniversary date, vacation entitlement for the first year is at least two weeks, or proportionately less if employed for less than a year.

⁴ Northwest Territories apply until Nunavut enacts its own laws.

Note: More detailed information on employment standards is provided on the Internet at the following address:
<http://labour.hrdc-drhc.gc.ca> under "Canadian Labour Law Information."

* Major collective agreements are those covering 500 or more employees. At present, this sample includes 967 agreements affecting 2,262,493 employees.

Major Industry Sectors

Primary Industries

It should first be noted that over the past ten years, there has been a significant decrease in the number of major collective agreements tracked by the Workplace Information Directorate in this sector. A total of 35 collective agreements covering 38,911 employees were in effect in 1989, as compared to only 19 collective agreements for 21,727 employees in 1999. Employment in the Primary Industries has generally decreased and the number of larger bargaining units has also decreased.

In 1989, 77.1 per cent of workers in Primary Industries were entitled to two weeks paid vacation after one year of service, whereas in 1999, 64.5 per cent of workers have that same entitlement. Ten years ago, three weeks of paid vacation were provided to 15.7 per cent of employees after two years of service, while in 1999, the percentage of workers has dropped by approximately half, to 7.8 per cent. In 1999, close to 28 per cent of employees in 1999 must accumulate three years of service for three weeks paid vacation as compared to 19 per cent of workers in 1989.

The majority of workers in 1999 (46 per cent) must accumulate between 10 to 15 years to obtain four weeks vacation, while in 1989, 18.3 per cent of employees were granted four weeks vacation leave after nine years of service.

There has been little or no change over the past decade in regards to paid vacation leave of five weeks or more as the percentage of workers with this entitlement has remained at relatively the same level. In 1989, 80.0 per cent of employees were entitled to five weeks vacation compared to 77.0 per cent of workers in 1999.

It can be generally concluded that in 1999, workers in the primary sector are required to accumulate a greater number of years of service in order to obtain the same amount of vacation leave as they were entitled to in 1989.

Manufacturing

In the Manufacturing sector, there has been very little change in regards to paid vacation leave entitlements over the past ten years. In both years, the majority of workers (74.7 per cent in 1989 and 73.2 per cent in 1999) were entitled to two weeks paid vacation after one year.

In 1989 as in 1999, approximately 30 per cent of workers were required to accumulate five years of service to be entitled to three weeks vacation. However, in 1999, a higher percentage of employees are entitled to three weeks paid vacation after two years (19.4 per cent) as compared to 12.9 per cent of workers in 1989. A 4-week vacation period was granted to 43 per cent of workers following ten years of service in 1989, while a decreased 28.9 per cent of workers in 1999 have that same entitlement after the same number of years. The entitlement to three and four weeks vacation has significantly decreased over the last decade. In 1989, a marginal 2.1 per cent of employees had no provision for three weeks vacation while 4.1 per cent did not have access to four weeks. In 1999, the proportion of employees with no provision for the three and four weeks leave has increased to 17.0 per cent and 22.9 per cent respectively.

There has been limited change as well over the past ten years in regards to the number of years required for five weeks or more. In 1989 as in 1999, between 20 to 25 per cent of employees had to accumulate 15 to 20 years of service in order to benefit from a 5-week vacation period. Similarly, in both 1989 and 1999, between 11 per cent and 19 per cent of workers were required to have 24 or 25 years of service in order to obtain six weeks of vacation leave. Finally, approximately 45 per cent of workers have no provision for six weeks of paid vacation in either years.

Trade, Finance and Insurance

Vacation entitlements appear to be more generous to employees in this sector, as a greater number of weeks are granted to employees with fewer years of service. Generally, in 1989 as in 1999, approximately 30 per cent of workers benefited from three weeks vacation following five years of service, while between 45 and 50 per cent of workers benefited from a 4-week vacation after eight years of service.

In 1999, 34.1 per cent of workers are entitled to five weeks vacation after 13 years as compared to 25.4 per cent of employees in 1989. This also explains why there is a substantially lower number of employees required to accumulate 16 years in order to obtain five weeks paid vacation in 1999 as compared to 1989. In addition, 25.4 per cent of workers in this sector in 1989 were entitled to six weeks vacation after 18 years whereas 33.6 per cent of workers receive the same entitlement in 1999. Furthermore, 31 per cent of employees in 1999 are granted seven weeks of paid vacation after 23 years of service.

Transportation, Communication and Other Utilities

The progress of paid vacation leave provisions in this sector has been somewhat gradual, with a moderate trend towards obtaining more vacation leave with fewer years of service. In both 1989 and 1999, the majority of workers benefited from three weeks vacation after their first year. This entitlement was available for 44.9 per cent of employees in 1989 and 49.4 per cent of workers in 1999.

The proportion of workers entitled to a 4-week vacation period has remained at relatively the same level over the past ten years. In 1999, between 20 to 22 per cent of employees are entitled to four weeks vacation after seven years of service, while 32 per cent of workers require ten years of service for the same amount of leave.

In 1989, only 6.6 per cent of workers were granted five weeks after 14 years of service as compared to 22.6 per cent of workers in 1999. Also in 1989, the majority of workers (53.8 per cent) were required to have 20 years of service before being entitled to five weeks of vacation leave, whereas, in 1999, a significantly smaller percentage of workers (16.3 per cent) must acquire the same number of years of service for the 5-week entitlement.

In 1999, 22 per cent of employees are entitled to six weeks vacation after 21 years of service as compared to a marginal 0.2 per cent of workers in 1989. In 1989, the largest proportion of employees (27.4 per cent) were granted six weeks after 30 years compared to 7.5 per cent of workers in 1999. The majority of workers in 1999 (28.4 per cent) are entitled to six weeks vacation following 25 years of service. Finally, a large proportion of employees in this sector are not eligible for seven or eight weeks vacation.

Community, Business and Personal Services

It should first be noted that elementary and secondary schools as well as colleges and universities have been excluded from the sample for this sector.

Over the past ten years, two opposite trends as to vacation entitlement according to years of service have been established in the service industries. In 1989, 23.3 per cent of workers obtained three weeks vacation after one year of service compared to 33.8 per cent of employees in 1999. Only 1.6 per cent of employees in 1989 were entitled to three weeks vacation after two years of service whereas 8.6 per cent of workers have this entitlement in 1999.

A 4-week vacation period following only one year of service was provided to a substantial 65.9 per cent of workers in 1989 while only 39.2 per cent of employees in 1999 have that same entitlement. Furthermore, a 4-week vacation period is not as quickly acquired in 1999 as a higher percentage of employees (11.5 per cent) must accumulate three years of service for that entitlement as compared to 6.9 per cent of workers in 1989. Also, in 1999, once again, a larger proportion of workers (9.1 per cent) compared to 3.7 per cent in 1989, require five years of service for the 4-week entitlement.

The provision of five weeks vacation is more prevalent in 1999, with 23 per cent of employees entitled to this vacation period after 15 years of service as compared to 5.8 per cent of workers in 1989. Also, in 1989, the majority of workers (55.3 per cent) were required to accumulate 25 years of service in order to benefit from five weeks of vacation leave, while the same requirement is applicable to only half the number of workers in 1999 (27.8 per cent). Also, a larger proportion of employees (22.5 per cent) are entitled to a 6-week vacation after 25 years of service in 1999, whereas in 1989, only 8.3 per cent of workers had that same entitlement. It should be noted however, that a six and 7-week vacation is not available for a large proportion of workers in these industries.

Public and Private Sectors

Private Sector

The sample for the private sector comprises 524 collective agreements covering 861,135 employees which were in effect in 1989 compared with 466 collective agreements for 794,522 workers in 1999.

In the private sector, the vacation entitlement after one year of service has not greatly evolved over the last ten years. In fact, in 1989, 56.0 per cent of workers acquired two weeks vacation after one year of service compared to 52.3 per cent of workers in 1999. As for three weeks vacation, in 1999, employees must accumulate a greater number of years of service than in 1989. Ten years ago, 21.3 per cent of employees obtained a 3-week vacation after three years while approximately the same proportion of employees (19.1 per cent) in 1999 must accumulate five years of service for the same amount of leave.

There has also been moderate change in the years of service required for four weeks vacation. While in 1989, 28.5 per cent of workers needed to accumulate

ten years of service to obtain four weeks vacation, a slightly smaller percentage of workers (25.6 per cent) now require the same years of service for the same entitlement. Fewer years of service are required in 1999 in order to benefit from five weeks of vacation leave. In 1989, 21.7 per cent of workers were entitled to five weeks vacation after 20 years compared to 12.4 per cent of employees in 1999 benefiting from the same period of leave after 18 years of service. Also, in 1989, 17.2 per cent of workers obtained six weeks vacation after 25 years of service while the proportion of workers with the same entitlement has remained at relatively the same level in 1999 (16.5 per cent).

The percentage of workers required to accumulate 30 years of service prior to obtaining a 7-week vacation has slightly decreased over the last ten years, from 8.0 per cent of workers in 1989 to 7.2 per cent in 1999. In addition, the provision for a vacation entitlement of eight weeks is almost non-existent in both 1989 and 1999 (99.8 per cent and 99.6 per cent of workers respectively).

Public Sector

The public sector sample consists of 365 collective agreements involving 1,244,388 workers in 1989 and 316 collective agreements covering 1,122,958 employees in 1999.

In 1989, 52.7 per cent of public sector employees were granted three weeks vacation after one year of service compared to 55.6 per cent of employees in 1999. In addition, 33.7 per cent of workers obtained a 4-week vacation entitlement after one year compared to 25.5 per cent of workers in 1999. In fact, there has

been very little change in this sector, as to the number of years of service required to obtain a three and 4-week vacation period.

In 1999, the majority of workers (47.5 per cent) must accumulate between 14 to 18 years of service in order to be entitled to five weeks of vacation leave versus 48.5 per cent of employees who were required to accumulate 20 years of service for the same entitlement in 1989. There has also been a slight decrease in the number of years required to benefit from six weeks vacation. In 1989, 23.1 per cent of workers obtained six weeks of paid vacation following 30 years of service while 18.5 per cent of employees must now accumulate 25 years for the same entitlement. The majority of workers in the public sector (90 per cent) have no provision for either a seven or 8-week vacation period, in both 1989 and 1999.

Conclusion

In 1999 overall, there has been a tendency towards reducing the number of years of service required in order to obtain five weeks or more of paid vacation leave. Thus, fewer years of service are generally required in order to benefit from a greater number of weeks in 1999. The situation is reversed when observing the entitlement to two and three weeks of paid vacation, where it appears that newly hired employees are granted less vacation in 1999, than employees with similar years of service in 1989. In general, provisions for paid vacation leave contained in major collective agreements in Canada have evolved at a moderate pace over the last decade. The extent to which this trend progresses into the new millennium will certainly merit further scrutiny.

The Workplace Information Directorate provides a variety of information on innovative workplace practices in each issue of the Workplace Gazette.

For more information on workplace innovations, please contact the Workplace Information Directorate directly at 1 800 567-6866 or (819) 997-3117 or visit our Internet site at <http://labour.hrdc-drhc.gc.ca/>

WORK STOPPAGES* – First Quarter 1999 AND CHRONOLOGICAL PERSPECTIVE

*Work Stoppages, Labour Organizations and Collective Agreement Analysis Section
Workplace Information Directorate
Labour Program, Human Resources Development Canada*

Summary

- Time not worked as a result of strikes and lockouts during the first quarter of 1999 amounted to 708,511 person-days. This total is somewhat higher than the 1989-1998 first quarter average of 560,762 person-days lost
- The number of workers involved in labour disputes during the first quarter of 1999 totalled 62,370, also somewhat higher than the previous ten year first quarter average of 40,288
- There were 127 work stoppages during the first quarter of 1999, compared with the 1989-1998 first quarter average of 136 stoppages

Table A

Work Stoppages by Jurisdiction – 1999

Jurisdiction	Beginning in the First Quarter			Cumulative to March 31, 1999		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Newfoundland	3	3,272	18,460	4	3,278	18,510
Prince Edward Island	-	-	-	-	-	-
Nova Scotia	3	79	180	3	74	180
New Brunswick	1	198	1,680	2	139	4,240
Quebec	22	4,194	36,184	54	5,100	148,874
Ontario	24	18,530	176,450	37	18,833	239,620
Manitoba	1	49	830	2	85	2,630
Saskatchewan	1	50	50	3	12,061	12,680
Alberta	2	688	4,390	5	937	19,797
British Columbia	7	30,470	102,070	9	17,355	105,230
More Than One Province	-	-	-	-	-	-
Total Provinces	64	57,530	340,294	119	57,862	551,761
<i>Canada Labour Code - Part I</i>	2	3,262	46,510	5	2,103	65,840
Federal Administration	3	5,732	90,910	3	2,405	90,910
Federal Total	5	8,994	137,420	8	4,508	156,750
Total	69	66,524	477,714	127	62,370	708,511

Source: Workplace Information Directorate

* Involving one or more employees.

- The average of 11.4 person-days not worked per worker involved in disputes, is somewhat lower than the previous ten year first quarter average of 13.9 days
- Six major work stoppages occurring during the first quarter of 1999 accounted for approximately 48 per cent of the total person-days not worked
- Three strikes with the Toronto District School Board involving a total of 14,000 CUPE workers accounted for 140,000 person-days not worked during the first quarter, over 19 per cent of the first quarter total
- Three other work stoppages together accounted for approximately 28 per cent of the total person-days lost during the first quarter of 1999, as follows: *Government of Canada, 1,600 employees Canada-wide; Canadian Broadcasting Corporation, 1,500 employees Canada-wide; and various British Columbia medical facilities, 6,500 practionners province-wide*

Table B
Work Stoppages by Industry – 1999

Industries	Beginning in the First Quarter			Cumulative to March 31, 1999		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Primary Industries	4	968	10,070	9	1,189	43,050
Manufacturing	16	4,814	37,182	34	5,661	111,802
Construction	-	-	-	1	7	440
Transportation, Communication and Other Utilities	10	6,832	71,872	13	4,474	86,012
Trade and Finance	4	114	1,460	20	658	35,627
Community, Business and Personal Services	24	47,518	260,420	38	47,424	324,790
Public Administration	11	6,278	96,710	12	2,957	106,790
Various Industries	-	-	-	-	-	-
Total	69	66,524	477,714	127	62,370	708,511

Source: Workplace Information Directorate

Table C
Work Stoppages – A Chronological Perspective

Period	Number beginning year or month	in existence during year or month*			% of Estimated working time
		Total Number	Workers involved	Person-days not worked	
1989	568	627	444,747	3,701,360	0.13
1990	519	579	270,471	5,079,190	0.17
1991	399	463	253,334	2,516,090	0.09
1992	353	404	149,940	2,110,180	0.07
1993	323	381	101,784	1,516,640	0.05
1994	312	374	80,856	1,606,580	0.06
1995	282	328	149,159	1,583,061	0.05
1996	297	330	281,816	3,351,820	0.11
1997	229	284	257,662	3,609,776	0.12
1998	338	378	232,969	2,465,530	0.08
1998					
March	12	62	17,619	152,570	0.06
April	26	68	10,634	84,555	0.03
May	34	80	42,473	122,250	0.05
June	37	94	37,177	288,010	0.11
July	32	90	27,711	328,545	0.12
August	32	85	16,897	246,950	0.09
September	49	114	44,465	399,850	0.15
October	29	93	27,785	200,380	0.08
November	30	84	100,755	268,850	0.10
December	22	80	11,045	134,610	0.05
1999					
January	13	71	27,664	140,240	0.05
February	20	74	17,304	153,867	0.06
March	36	97	45,723	414,404	0.16

* Refers to work stoppages which began during the year or month as well as those carried over from the previous year or month.

Source: Workplace Information Directorate

SECTION 3

INNOVATIVE WORKPLACE PRACTICES

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The following overview of innovative workplace practices is derived from a review of 71 recently settled collective agreements, of which, 16 settlements (23 per cent) report having initiated at least one new or innovative practice.

Duration

In spite of a significant proportion (48 per cent) of settlements having been renewed for a period of 24 months or less, the **average duration** of the 71 agreements nevertheless extends over a period of **33.8 months**. Once again, the majority of these shorter term agreements involve various Ontario school boards (19 of the 34 settlements), as a result of legislation which provides for the restructuring and amalgamation of school boards within the province. Twenty-two of the 71 agreements have been renewed for a period of 36 months, while 11 settlements extend over a period of 48 months or more, including an **84-month** settlement with Abitibi-Consolidated Inc. in Quebec, four **72-month** renewal agreements with Harmac Pacific Inc. in British Columbia, the Société de transport de la Communauté urbaine de Québec, the City of Edmonton and the Greater Toronto Airports Authority, and an agreement with Quality Meat Packers Ltd. in Ontario scheduled to expire in **69 months**.

Labour-Management Committees

Half of the agreements reporting innovative practices (8 of the 16 settlements) provide for the establishment of a labour-management committee to review or implement a number of issues such as the feasibility of a **gain sharing plan**, **the labour relations environment and training** (British Columbia Hydro and Power Authority and the International Brotherhood of Electrical Workers, Local 258 and Office and

Professional Employees International Union, Local 378); a new **hours of work model** (Saskatchewan Institute of Applied Science and Technology and the Saskatchewan Government Employees' Union); **teaching and learning conditions, future plans and Board policies and procedures** (Halifax Regional School Board and the Nova Scotia Teachers Union); and a **registered retirement savings plan** (John Deere Welland Works in Ontario and the CAW, Local 275).

Labour Relations

The agreement between the Ontario Jockey Club and the Service Employees International Union, Local 528 provides that in the event of the establishment of a **new business line** which would introduce slot machines at its tracks, **the employer will recognize the union as the bargaining agent for these employees constituting a separate bargaining unit from the parimutuel bargaining unit. The employer will give priority to applications received from employees on the seniority list of the parimutuel bargaining unit**, based on skill, ability, competence, efficiency, dependability and presentability.

Compensation and Working Conditions

Eight of the 16 settlements reporting an innovative practice provide for the introduction of practices related to compensation and working conditions. Of these, the agreement between the Ontario Housing Corporation and CUPE, Local 767 provides for a **modified work arrangement** following injury or illness, which would **favour the employee's returning to work that is safe, available, within the employee's abilities, and that; where possible, restores the pre-injury earnings**. Elsewhere, the Halifax Regional School Board agreement provides for a **job sharing program** and a

work environment clause whereby teachers who consider their class size to be excessive or inconsistent with their ability to carry out their duties are provided with a redress mechanism. The agreement for employees of British Columbia Hydro and Power Authority provides for various types of **family-related leave** including a leave of absence with pay for **care of an elderly parent**.

Training and Development

Only one of the 16 settlements includes a new practice related to training and development, namely, the agreement between Abitibi-Consolidated Inc. in Quebec and the Fédération des travailleurs du papier et de la forêt, which now provides that employees who obtain a passing grade on their exams, will have **100 per cent of their tuition and book expenses reimbursed, to a maximum of \$2,000.**

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WORK REORGANIZATION AT THE EAST MONTRÉAL SHELL REFINERY, 1989-1998

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This case study presents the highlights of the union-management process to change the organization of work at the East Montréal Shell Refinery during the period 1989-1998. The study focuses mainly on methods of introducing change in work organization; it describes the innovations, presents preliminary results and identifies problems encountered. The information comes from interviews conducted in 1994 by Reynald Bourque and Murielle Laberge with two union representatives, including the president of the union executive, and two members of Shell management, i.e., the general manager and the human resources manager at the time. A follow-up interview was conducted in 1998 with the same union respondents, the general manager and the current director of human resources. The text of a joint presentation by the general manager and the union president, summarizing the principal stages in the process of change and assessing the experiment, letters of understanding and the text of the last collective agreement were also used as sources.

1— Company Characteristics and Environment

The East Montréal Shell Refinery, established in 1932, is one of three refineries owned by *Shell Canada Products Limited*. The other two are located in Scotford, Alberta, and Sarnia, Ontario.¹ Shell Canada, whose head office is located in Calgary, is a publicly traded company of which the multinational, *Royal Dutch Shell*, is 80 per cent owner.

The East Montréal Shell Refinery processes 130,000 barrels of crude oil daily into various fuels and gases, lubricating oils and greases, as well as asphalt for industrial and road applications. Processing activities are divided among six production units, each controlled by operators from fully computerized control rooms. The refinery operates 365 days a year, 24 hours a day. Product quality is tested in the laboratory at various stages of processing.

The refinery buys approximately one billion dollars worth of crude oil each year, mainly from the North Sea, Mexico and the United Arab Emirates. The price of crude oil is determined by the interplay of world supply and demand. In North America, the movements

of the *New York Mercantile Exchange* play a major role in setting prices. Apart from Shell, other buyers of crude oil in Quebec are competing refineries owned by Petro-Canada and Ultramar.

Production is intended essentially for the Quebec market. Less than one quarter of production is exported. Apart from the Shell retailers, the refinery supplies a number of competitors who are well established in Quebec but do not own refineries. In the gas market, institutional competition comes from imports. In order to ensure its sales, the refinery must offer its product at a price equal to or below that of the international spot market in New York. In 1994, the value of shipments was over 100 million dollars.

Since the 1980s, oil companies have faced reduced demand internationally. The two oil crises in the 1970s led industrialized nations to reduce their energy consumption significantly, which resulted in a surplus refining capacity. The major oil companies are fiercely competing, resulting in major restructuring within the industry. This combination of circumstances exerts

¹ In addition to the refinery, Sarnia also has the Shell chemical plant, well known for its sociotechnical work organization. Initially owned by Shell Canada, the plant became the exclusive property of Royal Dutch Shell in 1995.

continuing pressure on the refinery's management, who must constantly improve production quantity and quality in order to remain competitive.

In addition to formidable security standards, the refinery is subject to strict governmental environmental protection regulations, in particular, with respect to the processing of wastewater discharged into the St. Lawrence River.

The East Montréal Shell Refinery has 450 employees, of whom 310 are members of the United Petroleum Workers of Canada, affiliated with the Council of National Trade Unions. The bargaining unit includes operators, who represent two thirds of the staff, maintenance staff (tradesmen and storemen), laboratory employees and shipping staff. The average age of the operators and maintenance staff is respectively 44 and 53. The former have an average of 15 to 20 years of service, the latter, 20 to 25. The majority of unionized employees have a high school diploma. The average salary is approximately \$55,000 per year. The 140 non-unionized workers are divided between 40 management and supervisory staff and approximately 100 technical support staff, consisting of engineers, technologists, computer specialists and administrative staff. The number of both unionized and non-unionized jobs has decreased significantly since the mid-1980s. In 1985, for example, the bargaining unit had 500 members.

Current union-management relations are generally cooperative and the work climate is, for the most part, harmonious. The last labour dispute, which paralyzed the refinery for five months, dates back to 1980. There are few grievances and they are settled internally. Collective bargaining in 1992, 1994 and 1997 was completed without resorting to conciliation. The latest collective agreement was ratified by 90 per cent of the union members who attended the meeting.

The current state of industrial relations is in sharp contrast to the period prior to introduction of the change process. In the 1980s, for example, labour relations were highly confrontational. Communication between employer and union were reduced to the bare minimum. Disagreements between the parties over the collective agreement would produce up to 80 grievances a year, a third of which required arbitration. In the opinion of one union representative, workers were unmotivated and rebellious and a structural change unilaterally imposed by management in 1987 contributed to a further souring of the labour-management climate.

2— Strategic Choices

Beginnings of the Organizational Change Process: Background

In addition to the dismal state of labour relations, the company's profitability declined through the 1980s. The refinery had trouble meeting performance targets set by Calgary, units and equipment were unreliable and performance with respect to environmental safety and workplace health and safety was mediocre. In addition to its internal problems, the refinery was suffering the consequences of the oil crisis and energy conservation programs that resulted in reduced demand. As the 1980s ended, persistent rumours of closures circulated, which were made even more credible with the closing down of activities at the Texaco, BP, Gulf and Esso refineries in East Montréal. This was the backdrop against which a new general manager arrived in 1989 from the Scotford refinery, where the organization of work was based on a sociotechnical approach.

The mandate conferred on the new general manager by Shell Canada's senior management was to restore the company's profitability in order to ensure its survival. To secure the refinery's competitiveness over the long-term, management set itself three goals as a priority: increase productivity, reduce production costs and improve quality.

A number of factors, dependent on both the company's characteristics and its ownership by the Shell group, influenced management's strategic choices. Despite its problems in the 1980s, the East Montréal Shell Refinery had historically been among the best in the industry. As part of the Shell group, the company had no shortage of financial resources. The facilities were at the forefront of technology and staff were highly skilled. On the other hand, management was traditional and labour relations were confrontational. On this basis, management concluded that they would have to work differently with staff in order to improve the situation in the refinery. Shell Canada already possessed strong experience in innovative management in work organization, as is clear from the histories of the Sarnia and Scotford plants, where operations were based on the sociotechnical model.

The local management project would consist of modernizing the organization of work in order to increase the functional flexibility within the company. The general manager chose a strategy centred on employee participation and cooperation with the union.

Although participatory management was not new for Shell Canada, this would be the first time such an experiment was attempted in an existing facility.

3— Innovation Process

Organizational change at the East Montréal Shell Refinery includes four phases. The period 1989-1990 introduced the management team to the change process. This phase was characterized by the learning of new management methods, familiarization with new forms of work organization and attitudinal changes. The period 1991-1993 introduced the union-management change process, characterized by the introduction of concrete mechanisms expected to lead to changes in the organization of work. In 1994, company-wide organizational restructuring was introduced at Shell Canada and negotiations to renew the collective agreement for the East Montréal plant began. The final phase saw the introduction of the first changes in the organization of work.

1989-1990: Management Approach

The general manager first called a meeting of senior managers to share his vision with them, starting with the necessary changes in management style. The general manager then outlined the approach for the next two years and hired a reengineering consultant. Except for the general manager, members of the management team did not have a clear and concise idea on how to implement organizational change. The first year would therefore be devoted to training senior managers by visiting "innovative" companies and attending seminars on new work approaches to work and management. During the second year, management would focus efforts on technical and supervisory staff, in order to raise their awareness of the change process.

Along the way, the composition of the management team was altered. Those who could not, or would not, adapt to change, or whose relations with the union were known to be adversarial, would be transferred within the organization. Later, and for similar reasons, the union also made changes to the composition of its executive.

Thus, the first two years were devoted to changing attitudes among members of management. The change, which could be perceived in the workplace, created a climate fostering dialogue with the union.

1991-1993: Working Together toward Change

In 1991, management proposed to the union executive a 3-day retreat. Facilitated by the consultant who had been hired earlier, the meeting allowed the parties to discuss past relations between the parties and was intended to improve communication, achieve a better mutual understanding of both sides' problems and priorities and build a relationship of trust. The retreat led to the creation of a steering committee consisting of members of the union executive and management. Its mandate was to set priorities and establish stages in the process of change. The role of the steering committee would be critical to the process of change, as most of its recommendations would be implemented.

One of the first concrete results of the joint process of change was the signing in June 1991 of a letter of understanding in which management and the union acknowledged the importance of quality and efficiency in maintaining the plant's profitability. The parties agreed to maintain an ongoing dialogue in order to reach agreement on the organizational effectiveness approach. In October 1992, management and union signed a second letter of understanding, which described the terms of the process, as well as the roles and responsibilities of each party. In addition, the letter stipulated that employees covered by the collective agreement would not lose their job as a result of improvements resulting from the organizational effectiveness process.

In 1993, a number of activities gave a strong boost to the change process. Management and union visited a number of Canadian and American companies that had introduced innovations in their organization of work. The parties drew heavily from the collective agreements of plants that had redesigned their jobs in drafting their documents.

Three subcommittees composed of union members and management representatives were formed: process, communications, and vision committees. The mandate was to structure the work reorganization process and to develop communications focused on methods to encourage the dissemination of information on progress made. The weekly newsletter *Informez-vous* was developed as part of the communications committee mandate. The last committee was responsible for writing a new vision that would reflect the long-term objectives of remaining competitive in a world market while ensuring a stimulating work

climate for everyone. The final document would be submitted to all employees in meetings held by the general manager and the union president in 1994. The three subcommittees made their recommendations to the steering committee, would be dissolved once their work was completed.

The composition of the steering committee changed. Management wanted to include directors, engineers and supervisors, while the union executive wanted to involve other members. Under the impetus of the steering committee, new salary progressions were developed. In order to achieve this, a committee composed of two union stewards and two supervisors was formed for each job class. The mission of the committees was to study ways of formalizing job rotation, enlargement and enrichment. Once their recommendations were approved by the bargaining committee, these committees would be replaced by implementation committees with equal representation from union and management.

1994: Restructuring and Collective Bargaining

In 1994, a new president and chief executive officer arrived at the Calgary head office. Shell Canada was facing a difficult financial situation. The new president imposed significant cost-cutting measures, specifically, job reductions throughout the organization. The union then decided to temporarily suspend its involvement in the organizational effectiveness process because, as a representative of the union executive explained, it did not want job losses to be associated with change. Ultimately, 40 unionized positions were cut by attrition as part of a voluntary departure program for employees approaching retirement age.

Local management was also restructured, which resulted in abolishing the position of consultant responsible for the organizational effectiveness process. A union representative interviewed in 1998 suggested that this consultant had played a significant part in ensuring bonding and providing direction for the process. Furthermore, a number of management representatives who had been involved in the process of change from the beginning left the company. Union representatives believe the changes to the management team weakened the vision which had focused on work reorganization and labour-management partnership. A management representative acknowledged that the new members of management had not received the training given to

their predecessors, but noted that their integration in the process was well under way given they came from within Shell.

Also in 1994, negotiations to renew the collective agreement began. At the end of 1993, union and management representatives were given two days training on interest-based bargaining, the approach that the union wanted to use in the next round of collective bargaining. The union then submitted two demands, one relating to job security and the other to wages. However, local management, which had to negotiate its mandate with head office, did not receive the go-ahead from Calgary to proceed with interest-based bargaining, specifically on issues of money. In the end, the parties returned to their traditional approach. The monetary issues would be resolved at the bargaining table, but the parties would agree in a letter of understanding to apply continuous negotiations to other aspects of work conditions, in particular, the new work/wage progression system.

1995-1998: Implementation of Changes in Work Organization

Early in 1995, the bargaining committee approved the recommendations of the joint committees responsible for developing new work/wage progressions. Union and management drafted a memorandum of understanding that described provisions concerning rotation, related tasks and team tasks for each employee group. The agreement was ratified by 79 per cent of the 310 union members at the refinery and it was on the basis of this document, prepared separately from the collective agreement in effect at the time, that changes were introduced in the organization of work in the various production units. Union and management representatives formed implementation committees responsible, *inter alia*, for planning the release of employees from their regular position to enable them to perform related tasks on the basis of a 54-day work cycle. Between 1995 and 1997, experience in the field resulted in a number of adjustments and made it necessary to rewrite some clauses of the collective agreement. The new progressions are now an integral part of the collective agreement signed in 1997.

The work reorganization process continued in 1996 with the development of a semi-autonomous work team project in a designated production unit, based on a sociotechnical approach. In order to ensure consistency, the union would have preferred to redesign jobs in all the production units simultaneously,

but management preferred to limit the project to a single unit, for reasons of costs and resources. As was the case for the progressions, a committee composed of union members and management representatives was given responsibility for redesigning the jobs with help from an outside consultant. The project has since entered the implementation phase, but the parties believe that the success of the exercise was reduced by a number of factors that will be explained later.

4— Innovation

The introduction of the new work/wage progressions in 1995 was the first major innovation in work reorganization. The new progressions, whose purpose was to improve functional flexibility, extended job rotations within a single job class, enlarged and enriched jobs by introducing related tasks and team tasks and, finally, increased employees' responsibilities. The new progressions were introduced simultaneously in all the refinery production units and covered operators, maintenance staff, laboratory employees and shipping staff.

The case of the operators is a good example. Prior to 1995, an operator's duties were limited to operating the facilities of the process units in a given production site. Operator positions were rotated, with the exception of that of the supervising operator for the unit. With the new progressions, the position of supervising operator became part of the rotation system. The operator performed regular duties as well as related responsibilities and team tasks. For example, the operator might assist the day supervisor, perform minor maintenance work, provide training or perform environmental or health and safety work. In the latter case, the operator was involved in planning and managing activities and staff within the production unit, i.e., ensuring job rotation, preparing vacation schedules, making calls concerning overtime, completing time sheets and other forms, etc.

Job enlargement and enrichment was achieved by giving greater responsibility to operators, who now performed work formerly assigned to non-unionized staff. This was the case for the team tasks, which had traditionally fallen to the supervisors. Operators replaced engineers in drafting operations manuals as well as participating in reliability groups, which had formerly been under the exclusive responsibility of non-unionized staff. Preparations for periodic planned

production shutdowns were henceforth the responsibility of operators and maintenance employees instead of engineers. Finally, operators wrote the training modules and trained their fellow workers.

The introduction of new progressions had a marked effect on the role and job level of engineering and supervisory staff. As an example, we saw earlier how blue-collar staff now performed work for which the engineers had formerly been responsible. The case of the supervisors provides another telling example. In 1987, the refinery had 70 supervisors on staff; by 1977, it had only 28. Before the wage/work progressions were introduced, a supervisor was responsible for a limited number of workers and control rooms. The supervisor had extensive knowledge of the staff and of the technical aspects of the work and exercised close control over activities. This is no longer the case today, as the supervisor must manage a larger number of rooms and workers. The role is now similar to that of a team coordinator, where members have greater freedom of action.

In the opinion of the union representatives interviewed in 1998, reaction of engineering and supervisory staff to the changes made in work organization is mixed. Some regret their loss of power, feel that the union plays too great a role and fear for their jobs. Others, however, see the change as a stimulating challenge, approve of the new work methods and feel that operators have benefited from experience acquired in the field.

In keeping with the new progression system, the job redesign, which is to lead to the introduction of semi-autonomous teams, involves reviewing the overall work flow and giving the work team greater responsibility in production unit operations. Emphasis is placed on understanding the business dimension in order to provide workers with all the information necessary to make decisions concerning unit management. In the end, the redesign will do away with supervisors.

The joint committee on job redesign has completed its work, but the implementation process is currently suspended. A union representative explained that the merger of the two employee groups within the production unit produced interpersonal conflicts that had to be resolved before proceeding with the job redesign. Furthermore, the union representatives who were interviewed stated that they perceived management resistance to the sociotechnical model

of work reorganization. Management representatives with whom we spoke acknowledged that management was questioning the merits of a pure sociotechnical approach. It was felt that the Sarnia and Scotford experiments were not entirely positive and that reproducing this type of work reorganization was not necessarily the appropriate solution. Management representatives added that because they were unfamiliar with the ins and outs of a redesign process, union and management may have given the outside consultant too much leeway. Specifically, the role of the supervisors was a stumbling block. Although the project called for their elimination, management insisted that they be retained. For management, it was important to retain company representatives who could bring the necessary knowledge and information to production units operations. Members of management who were interviewed concluded that the questions raised by this initial experiment should make it possible to put the experiment in perspective and learn lessons that can be used in redesigning the next unit.

Innovations in work reorganization were accompanied by changes in a number of human resources management practices. A consequence of the inclusion of related tasks and team tasks was the noticeable increase in training time to improve employee qualifications and skills. It was also expected that the introduction of semi-autonomous teams would be accompanied by more social skills training, focusing on interpersonal relations, communication, problem-solving techniques, etc.

In terms of recruitment, hiring criteria were raised. A candidate for an operator position must now be a graduate of the Petrochemical Institute, which Shell helped to found. The Institute is affiliated with cégep Maisonneuve [Maisonneuve Community College] and awards a Diploma of Collegial Studies.

Innovations in work reorganization also raised the issue of job security. Applying the terms of the 1992 letter of understanding, the collective agreements from 1994 and 1997 contain a clause stipulating that no employee covered by the collective agreement shall be laid-off as a result of improvements achieved by increased organizational effectiveness.

The introduction of new progressions created upward salary adjustments for most of the job classes concerned. For example, operator salaries were

aligned on the lead operator position, which was now part of the rotation system. However, no profit-sharing program was introduced. A few years earlier, management in Calgary had proposed a profit-sharing program that considered, among other factors, the performance of the company and of the refinery, but the union was not in favour, as it felt that the formula contained too many conditions over which employees had no control.

Finally, the organizational effectiveness process involved changes in labour relations. Union participation in management work organization was undoubtedly the most significant innovation. Prior to the 1990s, management tended to impose change unilaterally, as when it introduced quality circles in 1987. This initiative met with stiff resistance by workers and was quickly abandoned. In contrast, the current process leaves considerable room for information sharing and consultation. Changes in work reorganization have led to the creation of a large number of joint committees that also serve as mechanisms for joint decision-making.

In terms of collective bargaining, the parties have demonstrated an openness to new approaches by taking training in interest-based bargaining. However, the parties believe that interest-based bargaining techniques are more useful in committee operations than at the bargaining table. Management and union agreed to introduce ongoing negotiations which led to the signing of a number of letters of agreement. In 1997, the parties broke with tradition by reaching a 4-year, rather than the traditional 2-year agreement, with a wage reopener after two years.

5— Results

For the Company

Though management and union confirmed that profit margins definitely rose through the 1990s, it was impossible to obtain financial performance statistics. Furthermore, the production of each production unit, the quality of products and productivity advanced steadily as a result of work reorganization. Union representatives explained that these results may be attributed in part to longer use of equipment. The involvement of workers alongside engineers has resulted in improved equipment reliability, thus helping to reduce the number of planned production shutdowns, which entail heavy costs.

In general, management representatives noted that internal studies showed that the East Montréal plant is today ranked among the best of the 59 Shell refineries world-wide, in terms of almost every performance indicator that can be measured. Another study, referred to as *Salomon*, offers similar results. That study, conducted by Texas consultants, compares the plant's performance with that of competing refineries in North America and parts of South America. In contrast to its position in the 1980s, the East Montréal Shell Refinery is regularly ranked in the two top groups. Members of management whom we interviewed believe that its improved financial performance and productivity may be attributed to work reorganization, not to new investment, as the latter has been limited to maintenance of existing facilities and technology.

Joint management of work reorganization has also produced meaningful organizational results. The number of disciplinary measures has fallen considerably mainly as a result of a less rigid approach by management when errors occur. Grievances, which now number approximately a dozen per year, are well below the 1980s level. The parties have almost never resorted to arbitration, but one union representative complained that, too often, the grievance is settled at the general manager level, after failing at the supervisor and area manager level. The number of industrial accidents has dropped since the early 1990s. Progress achieved in this regard is attributed to improved union-management relations, which has had a positive effect on commitment and information-sharing within the industrial health and safety committee.

Changes in work reorganization have had a significant effect on a number of aspects affecting staff. The new progressions have given the company the organizational flexibility that it sought and have significantly reduced overtime costs. Reorganization has made it possible to increase the competence level of current employees and to set higher standards for candidates recruited externally. The hierarchical structure has changed considerably with decentralized decision-making and a reduction in the number of senior managers. In the 1980s, the refinery's organizational chart consisted of seven levels: general manager, superintendent, service manager, supervisor, planner, foreman and employee. Since reorganization, the hierarchical structure contains only four levels, i.e., general manager, manager, coordinator and employee.

For Labour-Management Relations

Both parties agreed that labour-management relations have been more cooperative since the work reorganization process was introduced. They identified trust, transparency, and the sharing of information, including financial information, as well as a better understanding of the other party's interests and problems, as key factors in improving their relations. The organizational effectiveness process led to the establishment of an open, ongoing dialogue between union and management and made it possible to solve a number of problems informally as they arose.

Since the process of change was first introduced, the parties have negotiated three collective agreements. Each round of negotiations ended without the union resorting to pressure tactics. In the 1997 negotiations, the parties agreed to extend the term of the collective agreement to four years. The agreement, which formalized the new progressions, obtained the support of 90 per cent of the union members present at the meeting.

Union and management representatives interviewed agreed that training on interest-based bargaining helped to establish a better climate at the bargaining table, but at the same time, admitted that the application of practices associated with an interest-based approach were not much successful. In fact, the attempt by the union to apply interest-based negotiation in 1994 met with resistance from the Calgary head office, thus forcing the parties to return to a traditional approach. It is clear that the role of head office in defining highly-structured terms of reference, particularly on monetary issues, was an obstacle to innovations in collective bargaining. On the other hand, issues relating to work reorganization led to the establishment of ongoing negotiations and parallel structures that left considerable room for integrative approaches.

Despite the positive effects flowing from the process of change, union representatives expressed concern for the future of the initiative. Specifically, they wondered whether management was distancing itself from the process of change, now that changes in work reorganization had produced the desired operational flexibility and the company had found a satisfactory level of performance. The union representatives interviewed sensed that members of management who arrived on the heels of the 1994 restructuring did not necessarily share the vision of their predecessors on

their partnership with the union and the evolution of work reorganization toward a sociotechnical model. For the union executive, honouring the 1992 agreement, which defined the direction of changes to be made in work organization and settled on a process focusing on partnership, is a necessary condition to continued cooperation. There is genuine uneasiness and the parties have agreed that the issue needs to be revisited during a 2-day retreat to be organized.

For Employees

The introduction of the new progressions has had little real effect on the workload of unionized employees. The introduction of related tasks, however, has forced workers to expand their range of skills, formerly limited to performing their regular work. In this respect, the number of hours of training has increased and access to training has been facilitated, as courses are given during the day.

The responsibilities of blue-collar workers have increased considerably. They have taken over the duties formerly the responsibility of front-line supervisors and engineering staff; higher salaries have compensated for increased responsibilities. The transfer of responsibilities has noticeably reduced staff among the two latter categories. The supervisor's role has less to do with making workers toe the line, and more with coordinating the efforts of the work teams, who now bear greater responsibility for achieving production targets.

The new organization of work has resulted in higher hiring criteria. The refinery is seeking more versatile candidates who already possess qualifications for petrochemical work. In 1996, the eight operators hired were all graduates of the Petrochemical Institute.

Union representatives believe that the new work organization has produced greater satisfaction among employees. Salaries are better, workers have greater freedom and the work is more interesting, because of the diversification of duties. Another important element of job satisfaction, job security, is assured for the time being. The level of individual involvement in the process of change is deemed satisfactory. A union representative noted that at the start of the initiative, workers felt compelled to become more involved when they learned that the refinery could be closed.

On the other hand, the disappearance of a number of technical positions and the drastic reduction in the number of supervisors has significantly reduced

advancement possibilities. Union representatives fear the long-term effects of this situation on employee motivation. The relative novelty of related tasks makes it possible to maintain a high level of interest for the time being, but the union knows that this effect will eventually wear off. Finally, the absence of a profit-sharing formula that is fair in the eyes of workers and union represents a source of dissatisfaction.

6— Factors of Success

The parties agree that union-management cooperation is a key element in the success of the process of change. The combined effects of a number of conditions has encouraged the parties to bridge the gap between them and introduce the joint process of change. An initial condition relates to the context that characterized the late 1980s. The process of change began as the company's performance was falling and the external environment was in transformation. Rumours of closure culminating in 1989 marked the crisis point that unleashed the process of change. The parties then realized that the survival of the East Montréal Shell Refinery required strong measures to ensure the long-term competitiveness of the company. A union representative noted a progressive change in attitude among workers and union, which he summarized in the following terms: "Previously, we felt that it was up to Shell to guarantee us a job. Now, we believe that the company must be competitive to ensure job protection." This change of attitude was an important factor in achieving joint management of work reorganization.

A second condition relates to a change in management style change. Conflict-based labour relations and the traditional management that was characterized at the end of the 1980s represented an obstacle to the introduction of a concerted approach to organizational change within the workplace. The first job of the general manager when he arrived from Calgary was therefore to make local management aware of new management and work organization methods, in order to set them on the road to participatory management.

Union-management cooperation was expressed in the proliferation of joint committees that participated in all aspects of the process of change. There is no doubt that the involvement of union and workers in the design and implementation of innovations in work organization eased their introduction into the workplace. The degree of diffusion of innovations in

the plant is another factor in their success. The literature contains numerous examples in which confinement of a work reorganization initiative to a single sector led to failure. Coexistence of two work systems may, in fact, result in the new system being challenged in the name of the established system.² With the new progressions, the plant avoided this pitfall by introducing them simultaneously in all the production units.

Finally, union and management formalized changes in the work organization. The same holds true for the new progressions, which first led to the signing of a memorandum of understanding whose contents were eventually included in the collective agreement. The establishment of contractual rules giving formal status to the work reorganization consolidated the gains from the process.

This case study shows that the transformation of labour relations and work reorganization at the East Montréal Shell Refinery was an ongoing process. Progress along a path without a dominant reference model requires a significant investment of time and effort by the parties. Mutual trust, ongoing dialogue and firm commitment by the parties are essential factors in the concerted introduction of new work practices and remain necessary conditions for continuing the joint process of work reorganization. It will be interesting to follow the progress of the initiative when the refinery prepares to undertake the redesign of jobs in other production units.

² Brossard, M. and M. Simard "Groupes semi-autonomes de travail et dynamique du pouvoir ouvrier. L'évolution du cas Steinberg" [Semi-autonomous work groups and dynamics of worker power. History of the Steinberg case – *Translation*]. Québec City, La Presse, Université du Québec, 1990.

LABOUR-MANAGEMENT COOPERATION AND WORK REORGANIZATION AT QIT-FER ET TITANE IN TRACY, QUEBEC

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Summary

This case study focuses on the analysis of the labour-management cooperation and work reorganization initiative conducted at the QIT-Fer et Titane [iron and titanium] plant in Tracy, Quebec, during the period 1992 to 1998. While initiated in 1992 with the negotiation of an agreement to establish labour-management cooperation in work organization management, this initiative had a rocky start. It was put on the back burner in 1993 and 1994, following the election of a union executive opposed to the agreement. However, a new agreement signed in 1995 as part of the collective agreement renewal revived labour-management cooperation relative to the organization of work on a new footing. The new agreement was negotiated as part of a titanium slag concentrate plant construction project, based on an innovative process developed in the Tracy laboratories, that was expected to create some 100 new jobs in 1996 and 1997. The new 6-year agreement reached at the end of a 10-day labour dispute provided job guarantees for all regular employees on the job at the time of the agreement, as well as formal union involvement in the work reorganization process. From 1995 to 1998, the parties implemented a work reorganization that focused on a continuous quality improvement program, and a number of individual agreements were negotiated under a continuous negotiation process that encouraged a problem-solving approach.

Information gathered in the study came from a number of union and management documents, as well as from interviews with union and management representatives. An initial series of interviews was conducted in 1994 and 1995 with one management representative and three members of the union executive committee. A second series of interviews was conducted in 1996 and 1997 with two management representatives and eight union members, i.e., four members of the executive committee and four shop stewards from the main production and maintenance departments

(trades). Information was updated in autumn 1997 and autumn 1998, in cooperation with one management and two union representatives. The study is divided into four parts. First, we examine production and workforce evolution, as well as the bargaining units for QIT-Fer et Titane in Tracy. In the second part, we analyse labour relations since 1985 and the labour-management cooperation initiative at QIT-Fer et Titane in Tracy between 1992 and 1998. In the third part, we examine the major organizational changes introduced in the plant in the wake of the 1995 agreement, which paved the way for renewed labour-management cooperation and work reorganization after three years of challenges and confrontation. The last part of the study focuses on an analysis and discussion of factors that contributed to the deterioration and renewal of the labour-management cooperation initiative over the last few years.

Characteristics of QIT-Fer et Titane in Tracy

QIT-Fer et Titane Inc., founded in 1948 by the US multinational Kennecott Corporation, owns two industrial plants in Quebec, one in Tracy and the other in Havre St-Pierre. The two plants began production in 1950. In 1960, a titanium ore enrichment plant was constructed on the Tracy site, and in 1985 a steelworks was added to the existing facilities. The multinational, SOYO (BP), acquired QIT-Quebec Fer et Titane in 1981 and transferred it to another British multinational, Rio Tinto Zinc (RTZ) Corporation Ltd., in 1989. Ilmenite ore, the raw material used in the Tracy plant, comes from the Havre St-Pierre mine. By-products from ore processing at the Tracy plant are titanium slag (50 per cent), steel billets (25 per cent) and pig iron (25 per cent). Titanium slag, which is the principal product from the plant, is used to produce titanium pigments, which are added to certain finished products such as paint and paper. Titanium

slag is treated by a sulphate-based process, which is now being replaced by a chlorine-based process in order to obtain a higher-quality product. The Tracy plant was ISO-9001 and ISO-9002 certified in the early 1990s.

The Tracy plant has a monopoly on Canadian production of titanium dioxide (TiO₂), which represents approximately 70 per cent of the value of its deliveries. Nearly the entire production of titanium is exported to Europe, while pig iron and steel billets are produced mainly for the North American market. Raw material processing costs are relatively high, given the complexity of the process. An increase in titanium dioxide production capacity worldwide reduced demand for the product at the Tracy plant, where production fell by almost 50 per cent between 1988 and 1993. When it reached less than 700,000 tonnes, the market subsequently stabilized. In late 1995, RTZ management began construction of a new plant in Tracy representing an investment of \$350 million Canadian. The new plant, which began operation in 1997, makes it possible to increase the concentration of titanium dioxide in slag by using a new procedure referred to as UGS (Upgrade Slag), which was developed in the Tracy research laboratories. According to management representatives whom we interviewed in 1997, the market for this very high-grade product, which uses a chlorine-based process, is expected to grow over the next few years. The potential capacity of the new plant is 600,000 tonnes per annum.

In 1985, approximately 700 unionized workers were employed by QIT-Fer et Titane in Tracy. This number rose to 925 in 1990 and then fell to approximately 750 in 1994. By 1996, the number reached over 900, including workers recruited for the new plant. In late 1997, Tracy had 1003 unionized employees: 824 in the production and maintenance departments (trades), 172 clerks and technicians and seven security guards. These employees are represented by two separate unions affiliated with the Council of National Trade Unions.

Organizational Change at Initial Period

From 1975 to 1984, labour-management relations at QIT-Fer et Titane in Tracy were marked by a number of labour disputes. Collective bargaining in 1977 was marked by an 8-week strike and occupation of the plant; there was another 15-month strike during the

1979 negotiations. In 1984, an illegal strike was launched by the union to protest the employer's refusal to allow a union representative to take time off work for union business. Negotiations initiated subsequent to an injunction obtained by the employer resulted in a return-to-work agreement providing for preventive mediation on the disputed matter, as well as suspension of the disciplinary action imposed by the employer, in return for a 5-year moratorium on illegal pressure tactics by the workers. Preventive mediation in 1984 and 1985 by a Quebec Department of Labour conciliator helped improve the labour relations climate over the short-term, but tensions between the two parties resurfaced after less than two years of industrial peace.

1985-1990: Failure of Preventive Mediation

In the 1985 round of collective bargaining, the principal union demands involved the introduction of a joint workplace health and safety program and new clauses in the agreement dealing with contracting-out. However, the clauses dealing with contracting-out were not changed. This remained a source of conflict between the two parties. Despite the beneficial effect of preventive mediation on labour relations between 1985 and 1986, the collective agreement in force from 1985 to 1988 did not settle this major issue to the union's satisfaction, and relations between the parties gradually deteriorated during this period, in which the number of grievances rose from 55 in 1985 to 243 in 1988.

The 1988 round of negotiations, which led to the signing of a new 3-year collective agreement, did not result in any labour dispute. The principal issues in these negotiations were improvements to the pension plan, distribution and payment of overtime and contracting-out. A number of changes were made to the collective agreement concerning the pension plan, but once again the union team came up against the employer's refusal to restrict its right of recourse to contracting-out. Despite the reduced number of grievances during this period (154 in 1991, as opposed to 299 in 1989), relations between the parties remained strained. Note that a few months after the end of negotiations in 1988, the union leadership had to resign following a vote of non-confidence supported by a strong majority of the union's general meeting. There were complaints that the union leadership had not properly defended the members' interests during the negotiations.

1990-1992: Search for a New Management Approach to Labour Relations

Faced with the deterioration of labour relations and the failure of preventive mediation, management initiated action in 1990 to redefine the company's management philosophy. In autumn 1990, a number of meetings were held with an outside consultant to develop a program to train managers in labour relations management. According to the two management representatives interviewed in 1997 and 1998, the operation, referred to as OSER (*ouverture, souplesse, équipe, respect*) [*openness, flexibility, team, respect*] produced stronger bonding within the management team. This structured consultation and training activity involving various levels of managers resulted in a new approach to labour-management relations focused on cooperation. As a result, in 1991, the employer proposed to the union that the collective agreement be extended for a period of one year, while guaranteeing full wage indexing, and that negotiations begin on work reorganization in the maintenance department. This proposal was accepted by the union members, and through intensive negotiations held in autumn 1991, an agreement in principle was reached on combining the four basic trades into a single plant mechanic classification, including a wage adjustment as a training allowance. However, the agreement was rejected by a majority in the union meeting, who objected to the introduction of a wage adjustment that applied to some members only.

1992-1994: Labour-Management Cooperation at the Test-Bench

No conflict arose in the negotiations to renew the collective agreement in 1992; the major issues were work reorganization and contracting-out. Once again, the agreement between the parties to enter into a new 3-year collective agreement did not settle this issue to the union's satisfaction. New provisions on contracting-out were included in the agreement, but they were mismanaged by the employer, according to two union representatives interviewed in 1997. The number of grievances dealing with contracting-out rose from 15 in 1993 to 28 in 1994, and those relating to distribution of overtime proved to be even more numerous (21 and 48) for the same 2-year period. From the data received from the employer, an annual average of 130 grievances was recorded from 1993 to 1995.

The 1992 round of negotiations paved the way for significant changes in work organization. The 1991 agreement in principle on the new plant mechanic classification, rejected in the union meeting, was incorporated into the collective agreement ratified in June 1992. Furthermore, the agreement that was negotiated provided for job consolidation and abolished approximately 40 job titles in the production departments. The parties also agreed to cooperate on implementing a joint program to improve product quality and work organization. Finally, the agreement included a special pre-retirement plan, in order to soften the effects of the planned 10 per cent downsizing of unionized employees as a result of work reorganization.

This agreement, which represented the first formal attempt at labour-management cooperation at QIT-Fer et Titane in Tracy, did not produce the expected results, as it was not unanimously approved by employees. The proposed settlement of the collective agreement was accepted by a 62 per cent majority at a stormy union meeting, in which a number of militants expressed their opposition to the recommendation of the union bargaining committee in favour of the agreement. A few months after the new collective agreement was signed, the principal members of the union executive committee responsible for the negotiations were disowned by the union membership. In the December 1992 elections held to fill most of the positions on the union executive; including that of president, a majority of members voted for candidates opposed to the outgoing team. In autumn 1993, elections to other positions of the union executive committee (i.e., three of seven positions) favoured candidates supported by the team of the new president elected the previous year. The election consolidated the opposition of the union executive to the employer's work reorganization.

The minutes of the union meetings reveal that in the year following the 1992 labour-management cooperation agreement, a number of union members demonstrated their opposition to the work reorganization; on a number of occasions, members of the new union executive elected in December 1992 spoke out against the labour-management cooperation agreement made by their predecessors. In January 1994, the union members approved the position of the executive committee calling for the union to withdraw from the joint committee on work reorganization, and to proceed with a union training program on the organization of work, with the assistance of the

Council of National Trade Unions. During the course of 1994, close to 200 union members participated in the training on organization of work which was offered by the Council.

In autumn 1994, a schedule change imposed on night shift workers in the maintenance department, without prior consultation with the union, soured labour-management relations. Three union representatives were dismissed as a result of a work stoppage by employees in that department, who reacted by expelling the foremen from the worksite. Negotiations to resume work were initiated the day after the incident and, in order to resolve the deadlock, representatives of both parties requested the immediate intervention of a Department of Labour conciliator. By a number of negotiating meetings in the presence of the conciliator, the parties accepted a recommendation to form a joint problem-solving committee to settle the issue of work schedules. The conciliator also recommended that the parties participate in a seminar organized by the preventive mediation service of the Department of Labour in order to improve labour-management relations before entering into negotiations to renew the collective agreement expiring in June 1995.

1995-1998: Renewed Labour-Management Cooperation and Organization of Work

The labour relations seminar was held from March 13 to 15, 1995, in the presence of the conciliator and two members of the preventive mediation service of the Quebec Department of Labour. According to union and management representatives interviewed in 1997 and 1998, this seminar was a decisive turning point for labour-management relations. The three days were devoted to diagnosing the principal problems encountered by the employer and the union, defining values and goals shared by the parties, and developing an action plan for the renewal of the collective agreement that focused on four priorities. The priorities identified by the parties related to the settlement of the dismissals, the issue of work schedules in the maintenance department, the 6-year term of the collective agreement and the introduction of a conventional job protection plan. Negotiations commenced two weeks later and continued over three months at the rate of two or three meetings a week. They were marked by a 10-day strike in June 1995, supported by a 90 per cent majority vote of the union membership, which deemed the management proposal for job protection guarantees insufficient. Following intervention by the conciliator, a new management

proposal introducing a number of improvements to the job protection mechanism was ratified by a majority of over 85 per cent of the members, which ended the strike. The agreement included an individual job guarantee for the duration of the collective agreement for employees in regular positions on the date of ratification of the agreement.

The other major issues in the 1995 negotiations were settled in accordance with guidelines defined in the seminar organized by the Department of Labour. Dismissals were converted to suspensions, the work schedule was amended to the satisfaction of the workers concerned and the parties reached a 6-year collective agreement expiring in 2001. The agreement also included a collective agreement review procedure based on continuing negotiations, and a wage reopener for the last three years, along with an arbitration mechanism on final offers in case of disagreement. In addition, the parties agreed that union representation would be extended if the new UGS plant construction project was executed, and that the new positions would be assigned by seniority, subject to the employees having the basic qualifications to take the necessary training for the new jobs. Finally, a new letter of agreement appended to the collective agreement granted the union a greater role in managing the organization of work than in the 1992 agreement, particularly with respect to financial disclosure and to the powers of the joint steering committee for the work reorganization.

In late 1995, the employer informed the union that construction would begin on the new plant. As provided in the 1995 agreement, the parties entered into negotiations to set working conditions applicable to the new plant, in the presence of the same conciliator who had been involved in the 1994 conflict over work schedules and in the 1995 negotiations. In light of the difficulties experienced by the parties during those negotiations, the latter recommended that they receive joint training on "interest-based" negotiation before resuming talks. In April 1996, members of union and management bargaining teams participated in joint training on problem-solving approaches to negotiation, provided by an industrial relations academic, in the presence of a Department of Labour representative designated to facilitate the upcoming negotiations. Union and management representatives interviewed in 1997 and 1998 agreed that the training fostered better communication between negotiators on both sides, thereby helping to improve relations of mutual trust during negotiations over working conditions in the new plant. Two significant agreements were

negotiated concerning work reorganization in the new plant. The first was concluded in September 1996 and provided for a single job category of general-purpose operator, job rotations and the introduction of work teams for production employees. It also defined essential qualifications for employees to be trained to fill the new positions. The second agreement, reached in spring 1997, gave plant operators responsibility for a number of minor maintenance duties, something that was not spelled out in the collective agreement in effect for other production units at QIT-Fer et Titane in Tracy. Both agreements were ratified by a majority of over 80 per cent of the union members.

Subsequent to these two successful experiments in interest-based negotiation, conducted in the presence of a Department of Labour representative acting as a facilitator, the parties agreed to continue the joint problem-solving exercise with the latter by tackling the thorny problem of contracting-out, which had been at the heart of a number of labour disputes in the past. These negotiations began in autumn 1997 and were put on the back burner in January 1998, in order to allow the parties to conduct salary negotiations over the last three years of the collective agreement, as stipulated in the agreement signed in 1995. These negotiations proved difficult and in April 1998, the parties initiated the arbitration procedure provided under the collective agreement in case of disagreement over final wage offers. However, the arbitrator did not have to render a decision on the dispute, as an agreement in principle concluded in June 1998 was ratified by a majority of over 80 per cent of the members of the union meeting. The agreement provided wage increases of 6 per cent for the last three years of the collective agreement, retained the cost-of-living wage adjustment clause and made improvements to the employee pension plan. In addition to this agreement, the parties resumed negotiations on contracting-out, which were still in progress when the case was updated in October 1998.

Work Reorganization Procedure and Assessment

From the interviews conducted with two management and six union representatives in 1997 and 1998, it is clear that the employer and the union have been actively committed to joint management of work reorganization since autumn 1995. Two mechanisms of labour-management cooperation provided in the collective agreement negotiated in 1995 have played a critical role in this respect, i.e., the joint steering

committee composed of four representatives from each side, and the continuous quality improvement sector committees, who are responsible for examining and implementing measures likely to improve productivity, work methods and product quality. The steering committee is at the heart of the joint work reorganization approach. Committee members meet at least once a month to define policy and ensure that the work reorganization and continuous quality improvement programs are implemented. They may also identify specific actions that are communicated to the appropriate sector committee, so that action can be taken. The continuous quality improvement sector committees are responsible for identifying priorities for action in their sector, establishing quality improvement mechanisms, following up on files and reporting on their activities to the steering committee. These committees are composed of members designated by the union and of various levels of management and are also responsible for dealing with problems relating to the creation of work groups or teams, their operations, and assessment of results. Members of the sector committees may be given special assignments relating to information, data-gathering and leading information meetings. Outside consultants approved by both parties have been assigned responsibility for conducting and following up on meetings of the steering committee and the continuous quality improvement sector committees.

Since the first labour relations seminar was held in March 1995 in Bromont, a popular resort centre in Quebec's Eastern Townships, the parties have met for two days each year at the same location to assess their joint activities and establish priorities for action. These meetings also offer an opportunity to review their commitments, exchange economic and financial information and discuss labour-management relations. In addition, three days per year are spent in meetings focusing specifically on work reorganization and continuous quality improvement. According to the union and management representatives interviewed in our study, the various working conferences have made it possible to quickly identify and deal with any problems that could compromise the continuation of the labour-management cooperation initiative. Representatives of the two parties also consider that the approach of ongoing negotiations implemented pursuant to the June 1995 agreement to renew the collective agreement has proven valuable over the last three years. In autumn 1995, a productivity gain-sharing plan was introduced in consultation with the union, and employees received bonuses of approximately \$800 in 1996 and \$1,300 in 1997 under

the program. Both agreements on working conditions in the new plant, as well as negotiations begun in autumn 1997 for contracting-out, were also cited by a number of union and management representatives as positive outcomes in labour-management cooperation.

Labour-management cooperation has also helped improve working conditions and relations at QIT-Fer et Titane in Tracy over the last three years. According to union and management representatives interviewed in 1997 and 1998, employee qualifications and responsibilities increased in most sectors over recent years, as a result of changes introduced in work reorganization and of actions undertaken by the steering committee and the continuous quality improvement sector committees. The most significant changes related to work reorganization in the new plant, based on operator versatility and teamwork, which required a significant investment in training in 1996 and 1997. According to the two management representatives interviewed in spring 1998, too little time has passed since the new plant started up in autumn 1997 to assess the initiative. However, the parties agreed that after one or two years of experimentation, they would assess the impact of the new work organization and the possibility of introducing it in other production sectors. Finally, management representatives noted a significant improvement in production quantity and quality, as reflected in the group bonuses introduced in 1995 to share productivity gains.

According to the eight union representatives interviewed in 1997 and 1998, relations between foremen and workers have improved since the joint work reorganization activities were implemented, particularly with respect to communication. It appears that foremen listen more carefully and show greater interest in the problems raised by the workers since the labour-management cooperation program was renewed in 1995. Like the management representatives, they note an improvement in productivity and production quality. They also believe that employee motivation has improved as a result of greater independence in work organization and the program to share productivity gains. However, two union representatives interviewed in 1997 expressed a number of reservations concerning work reorganization, because of increased individual workload in certain production departments as a result of job consolidation since 1992. Similarly, a union representative from the maintenance department complained that little progress had been noted in the

equipment maintenance and preventive maintenance programs since the 1992 agreement on trade amalgamation or flexibility.

Analysis and Discussion

This final section is devoted to an analysis and discussion of the labour-management cooperation initiative at QIT-Fer et Titane in Tracy from 1992 to 1998. We will begin by examining the factors that produced a climate favourable to the labour-management cooperative agreement concluded in 1992, noting in particular the significant role played by interpersonal and intra-organizational trust in the initial decision of the parties to embark on the labour-management cooperation initiative. Next, we will identify the principal factors that led to the derailing of the labour-management cooperation initiative and a return to the confrontational approach in 1994 and 1995. Finally, we will analyse the factors associated with renewed labour-management cooperation since 1995 and the difficulties faced by the parties in continuing the initiative, while stressing once more the role played by various forms of trust in the labour-management cooperation initiative.

Internal factors related to the deterioration of labour relations played a major part in the plan designed by company management to reorient its philosophy of human resources management in the early 1990s. From an analysis of labour relations between 1975 and 1984, it is clear that management wanted to avoid a return to the labour relations that characterized this period. Preventive mediation in 1984 assured improved labour relations for a few years but as it entered the 1990s, management was forced to admit the failure of this approach. Grievances were on the rise, relations between foremen and employees were strained once more after a few years of peace. The arrival of new producers on the global market for titanium pigments, which contributed to lower prices and reduced demand for the plant's production, is also a significant factor in the decision by management, but the management representatives interviewed in 1997 and 1998 stressed that it was mainly labour relations that were at the root of Operation OSER (*ouverture, souplesse, équipe, respect*) [*openness, flexibility, team, respect*] in 1990. This operation, which continued for several months, involved the majority of managers at different levels who were consulted, and who, for the most part, participated in diagnostic or training sessions facilitated by an outside consultant. According to the two staff members with

whom we spoke, it resulted in a stronger bond within the management team and made it possible to define a new human resources management philosophy.

Labour relations managers informed the union executive committee of the action taken by the managers, and of management's desire to change the labour relations process. In spring 1991, they proposed to the union executive committee that the collective agreement be extended for one year and that, before renewing it, they tackle the issue of trade amalgamation. Union leaders received this proposal favourably and it was ratified by the union meeting. Negotiating trade flexibility served as the test for the new labour relations management approach based on problem-solving. The parties reached an agreement on the consolidation of the four basic trades into a single classification of plant mechanic, along with a wage adjustment equivalent to about 4 per cent. However, this agreement was rejected by over 60 per cent of the members present at the union meeting, who insisted that the wage adjustment be applicable to all union members. This reflected the poor internal bonding within the union organization, perpetuated by the traditional opposition between production and trades employees. The lukewarm support of union members for the agreement reached in 1992 to renew the collective agreement once again underscored internal union divisions. The agreement was ratified by a 62 per cent majority of union members, but the new work organization achieved by combining jobs did not obtain the support of the majority of production employees and was opposed by a number of union militants because it entailed workforce reductions. The results of union elections in December 1992 confirmed that members had lost confidence in the union leaders who had negotiated the agreement. This series of events illustrates the internal union divisions and the lack of confidence of union members in their representatives, which led to the derailing of the labour-management cooperation initiative in 1993 and 1994, following the rejection and replacement of the former union executive team.

A brief period of labour-management cooperation initiative followed the 1992 agreement, but under conditions that were not conducive to its success. The new union representatives elected in December 1992 participated in the activities of the joint committee on work reorganization until January 1994, but adopted a confrontational approach that did little to encourage the continuation of the project. Furthermore, management representatives

interviewed in 1997 and 1998 stressed that they did not develop the same quality of interpersonal relations with union representatives that had existed with members of the former union leadership, which had negotiated the trades agreement in 1991 and the labour-management cooperation agreement in 1992. The decision of the union executive to withdraw from the work reorganization committee was interpreted by management representatives as a failure of the initiative undertaken in 1990 to improve labour relations. The labour conflict triggered by the changes to the work schedule for the night shift in the maintenance department was the straw that broke the camel's back, according to these members of management. The unionized workers apparently wanted to resume their pressure tactics from the 1960s and 1970's, which consisted, in particular, in expelling the foremen. Management decided to react vigorously in order to leave no door open to a return to such practices and dismissed three employees who were considered mainly responsible for this action. After noting the failure of the labour-management cooperation initiative, both sides entered full force along the path of conflict.

It was necessary to bring in a conciliator from the Quebec Department of Labour in order to end the deadlock. The union executives helped to keep things under control by recommending the general membership that a request for special mediation be made to the Department of Labour, rather than unleashing an illegal work stoppage, as some militants had proposed. The employer agreed to participate in special mediation, while indicating that it would not accept any precondition concerning the dismissals. The involvement of the conciliator calmed the situation but did not settle the two main issues, the dismissals and the work schedule. Recognizing poor communication and interpersonal relations between representatives of the two parties, the conciliator recommended that union and management representatives attend a labour relations seminar offered by the Quebec Department of Labour. According to representatives of both parties, this seminar turned out to be a group therapy. Union and management representatives were able to exchange opinions openly on labour relations problems, and individual behaviour that needed to be corrected in order to improve interpersonal relations. This experience suggested that trust is a process that must go through an initial period in which techniques to facilitate human relations management are learned. The role of third parties (resource people, facilitators

or guides) is often critical in making union and management representatives aware of new approaches to problem-solving and conflict management.

The labour relations seminar established a climate fostering successful negotiations which began about ten days later, in the presence of the conciliator who had intervened in the conflict over the work schedule in the maintenance department. The negotiations led to an agreement on the major issues identified by the parties in the March 1995 seminar, but the agreement was rejected at the June 8 union meeting by a majority of over 80 per cent; the same proportion which had voted to strike. A new management proposal recommended by the union negotiating committee was ratified by 85 per cent of the members attending the June 16 meeting, which ended the strike. The agreement guaranteed job security for a period of six years to all regular employees on the job when the agreement was signed, subject to maintaining annual production at a minimum level of 800,000 tonnes. This agreement was received much more favourably than the 1992 agreement, which had imposed the organizational changes sought by management without detailed consultation and discussion with union members. Acceptance of an agreement incorporating this management demand had contributed to the members' loss of confidence in their union leadership. In the 1995 negotiations, the new union executive consulted with its members a number of times during negotiations and did not hesitate to call a strike following rejection of a management proposal, which they had recommended. This union leadership, composed of the principal opponents to the 1992 agreement, enjoyed strong credibility among members. The ratification in 1995 of a new labour-management cooperation agreement by a majority of over 85 per cent after a short-term labour dispute appeared to confirm a high level of confidence by union members in their leaders.

Conclusion

The major conclusion to be drawn from our analysis of the initiative under way at QIT-Fer et Titane in Tracy is that labour-management cooperation entails a complex organizational learning process, because of the special nature of labour relations, which involve both convergent and divergent interests of the parties. Union and management representatives involved in labour relations must reconcile contradictory

organizational interests that it is their duty to protect, while maintaining good relations with representatives of the other party.

Our analysis of the labour-management cooperation initiative at QIT-Fer et Titane in Tracy also illustrates the importance of unequivocal support by members of both organizations in order to ensure that a joint work reorganization project can be genuinely implemented. Internal dissension and the poor support shown by union members for participation by their representatives in the work reorganization project proposed by the employer in the 1992 negotiations contributed in large part to the removal of the union leadership and the derailing of the initiative in 1993 and 1994. However, deterioration of labour relations, which reached crisis levels in late 1994, served as a catalyst that enabled representatives of both parties to reconsider their approaches and behaviours in terms of labour relations. This crisis had beneficial effects, as it paved the way for a new labour-management partnership agreement giving union representatives and employees an active role in managing the organization of work. This acknowledgement of the strategic role played by the union in implementing new forms of work organization is the cornerstone of the "new social contract" that characterizes labour-management relations at QIT-Fer et Titane in Tracy.

Since 1995, labour-management cooperation at QIT-Fer et Titane in Tracy has been characterized by a continuous negotiation approach, which has made it possible to gradually introduce new forms of work organization that focus on increased involvement of employees in decisions relating to the management of operations. Three years after the renewal of labour-management cooperation, the principal organizational results of the continuing experiment can be identified. Grievances are fewer and they are settled more quickly, relations between supervisors and union members have improved, productivity gains are shared. However, labour-management cooperation is still at the initial stage and this case study suggests that the parties will likely face other difficulties in the coming years, in managing the tensions and conflicts inherent in labour-management relations in terms of work reorganization. However, the results of the initiative over the past few years, the ties and the trust built within each organization, as well as the relationship of trust between union and management representatives, provide favourable conditions to foster continued labour-management cooperation.

INTEREST-BASED PROBLEM-SOLVING AT LABATT'S LONDON PLANT*

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Labatt is the second largest brewery in Canada. The company produces nearly 55 different brands of beer, controls almost one-half of the Canadian beer market, and employs approximately 3,500 workers at eight brewery plants in six provinces across Canada.

The company has been undergoing significant restructuring since the early 1990s to become the "lowest cost producer in the industry." The cost reduction strategy has involved a closure of four plants in Waterloo, Saint John, Saskatoon and Winnipeg, and measures to improve the operating efficiency and rationalization of plant capacity in Central Canada. Labatt seeks to become the "best brewery in Americas," by benchmarking against the best practices in the industry, emphasizing product and process innovations, and developing "partnerships" with its employees and unions. Labatt's new human resource management strategy has led to many workplace innovations and initiatives to improve the labour-management relationships.

This paper describes the change process at Labatt's London plant, focusing on the introduction of interest-based problem solving approach, its impacts on plant's economic and industrial relations performance, and the program's sustainability.

Background

The London plant is the oldest plant in the Labatt family which celebrated its 150th anniversary last year. In the past five years, it has undergone several changes and recently received a \$6 million capital investment for improvements to its warehouse facility.

The plant is organized into three main departments: brewing operations, packaging, and staging (i.e., distributing the finished product). There is one brew line with a capacity of 700 hectoliters per brew. In the packaging area, there are two bottling lines and one can line.

The bottling and can lines can each produce 900 bottles per minute and 1,600 cans per minute respectively. The staging area currently has four loading docks. The plant distributes approximately 70 per cent of its finished products throughout Ontario and the remaining 30 per cent is shipped out-of-province. The plant also has a truck fleet to transport beer, a powerhouse that provides electricity, a garage and maintenance facility, and a retail store.

The plant has a total workforce of 575, divided between corporate staff from the national office and plant employees. The corporate staff consists of 165 individuals employed in engineering, purchasing, quality technical services, information technology, risk management, and research and development. The plant workforce includes 341 unionized hourly workers, and 69 management and clerical staff. The hourly workers are represented by two locals from the Brewery General and Professional Workers' Union, affiliated to National Union of Public and General Employees.

The establishment of the interest-based problem solving approach, in early 1995, coincided with a major shift in the labour-management relationship at the London plant. Prior to 1990, the labour relations climate was characterized by a lack of trust between the parties. Labour-management meetings were generally ineffective and failed to produce problem-solving approaches. The relationship was adversarial and both parties adhered to the strict contractual language in dealing with plant issues.

In the early 1990s, management started to measure operating results and to track the performance of its employees as a part of its strategy to improve operating efficiency. There were widespread changes at the plant level. "Old guard" supervisors, who had an amiable relationship with line employees, were replaced by new "tougher" supervisors. Management, in this period, exercised a tight discipline system and

* Condensed from the author's research essay titled "*Workplace Innovations in the Canadian Beer Industry: A Case Study of the Labatt's London Plant*" completed for the Master of Industrial Relations degree at Queen's University. The essay was supervised by Professor Pradeep Kumar.

unilaterally implemented rules and policies with little involvement and/or input from the union leadership. According to a union official, the rule-based discipline system imposed blanket suspensions for disciplinary infractions. The system was inflexible, lacked common sense, failed to show concern for individuals, and was generally detrimental to employee morale. The overall effect served to widen the lack of trust between the parties.

There was also a general lack of communication between the parties. According to a management official, early labour-management meetings were seen as dysfunctional since they were used to promote each group's own agenda. The meetings were eventually cancelled in 1992.

In March 1995, Restructuring Associates Inc., a prominent labour relations consulting firm, was contracted to study the situation and make recommendations for improving the labour relations environment. The consultants conducted an employee survey and met with union and management officials as well as workers. The interviews identified an absence of a spirit of employee involvement, an uncooperative relationship, and the lack of trust and mutual respect between union and management. At the same time the discussions discovered a need to improve relationships with most union and management officials expressing a willingness to re-constitute joint labour-management meetings to share information and develop a joint process to improve performance.

The consulting firm made six recommendations to help bring about a positive change in the relationships. These recommendations included:

1. the revival of the Joint Labour-Management Committee;
2. the interest-based problem solving training program;
3. the use of grievance mediation before arbitration;

4. an exploration of alternative compensation systems;
5. the joint education of union and management representatives on the provisions of the collective agreement; and
6. a focus on human resource development to maximize the skills of the workforce.

The senior union and management group at Labatt decided to focus on the first two recommendations:

1. the revival of the joint committee; and
2. the implementation of the training program approach.

Interest-Based Problem Solving Approach

The foundation for the change process was the interest-based problem solving approach.¹ Under this approach, the parties undertook to work together to jointly define the issues, and focus on identifying each other's interests as opposed to their respective positions. The process aimed to generate options for mutual gain and develop objective criteria for assessing these options.

The major structure used to facilitate the approach was the reconstituted Joint Labour-Management Committee. The new committee is comprised of 14 permanent members including an equal number of union and management personnel and meets roughly once a month. Members include the union executive, the department heads from brewing, packaging, staging, transportation, finance, and plant services, the Human Resources manager, and the plant manager. The Joint Committee has several functions. First, it is designed to resolve non-contractual issues on a plant-wide basis. Second, it encourages consultation and information sharing before any new

¹ There are several similarities between Interest-Based Problem Solving (IBPS) and the related concept Interest-Based Negotiation (IBN) or mutual gains bargaining. Both IBPS and IBN use a similar process in order to reach a mutually satisfactory solution for both sides. Furthermore, both concepts emphasize relationship building between the parties and a willingness to separate the people from the problem itself. However, while IBN or mutual gains bargaining is typically limited to the collective bargaining arena, IBPS generally covers non-contractual issues beyond the scope of the contract. IBPS is the approach used to strengthen the relationship between the parties. It is an ongoing process that uses consultation, information sharing, and joint problem-solving to manage and resolve disputes.

company policy is implemented. Third, it attempts to establish jointly held principles and values underlying the labour-management relationship and to inform, involve and include the union in decisions affecting the business. It performs more than an advisory function by providing counsel to both union and management to assist in introducing new initiatives in the workplace. The decisions made by the committee are binding throughout the plant.

Initially, the union leadership was skeptical of management's intent and believed that management would revert back to the old adversarial system by relying on the management rights clause. The union leadership made it clear that it was not interested in an exchange of "give and take" but wanted an improvement in long-term relationships between the parties. Therefore, it was difficult at the outset for both parties to develop mutual trust and to apply the practice of the problem-solving process. The traditional labour-management relationship had existed for many decades at the plant and there was no reason to believe it would disappear overnight. For these reasons, a facilitator was involved in the joint meetings for several months in the early stages of the process.

The union leadership also put forth several specific demands to ensure genuine change. First, the union requested that department managers sit on the committee to ensure that decisions were informed and backed by proper authority. Second, the union wanted to be able to "opt-out" of the problem solving process, if management failed to comply with the procedure.

Early labour-management concerns were magnified on the shopfloor level. There was a general perception that the committee members of the union made secret deals that undermined the terms of the collective agreement and served to weaken the union's bargaining power. Similarly, a long-service employee noted that the workers were concerned that the union leadership was getting too involved in management decision-making through the joint committee and was not performing its proper role as the watchdog of employee interests.

From management's perspective, it was important early on in the process to build credibility with the union by demonstrated behaviours. Management had to convince the union that changes needed to be made. Despite the many misgivings, both management and union representatives decided to proceed with the plan, thus saving the initiative.

By mid-1996, it was apparent that both union and management were committed to the interest-based problem-solving process. First, the problem-solving approach was used effectively in the local negotiations where the parties made phenomenal progress on several local issues. This was a significant improvement from prior negotiations. Second, line managers and union stewards received training in the problem-solving approach in order to apply this process at the shopfloor level. Third, management demonstrated a willingness to involve the union in decision-making. The union appeared to accept this new role, leading to the attendance of union executive members at weekly operations meetings. Fourth, there was a shift towards educating employees about the business itself. The education initiative was designed to inform employees about how to achieve key performance targets and how to improve efficiency on the plant floor. Most importantly, the reconstituted labour-management committee meetings produced several major initiatives, including a statement of mutual goals, skill based layoffs, and "weekend crewing program." The most significant initiative was the transition from a "punishment based" to a "behavioural modification" oriented discipline model.

Changes to the discipline system were significant considering that the traditional model used by management was seen as a primary cause of the poor labour-management relationship. The new discipline model focuses on changing employees' behaviour rather than the traditional model that penalized the employee for misconduct. In a typical case, the employee, union president, and union steward sign a third party letter that acts as a contract on the employees' behaviour and provides an opportunity to rehabilitate. In exchange, the employee signs away his/her right to arbitrate if the contract is subsequently violated.

One line manager identified the benefits of this performance-based model for both management and the union. According to him, the new approach has enabled first-line supervisors to deal with the issues using a less bureaucratic and structured procedure. Similarly, the new system has made the union accountable in the discipline process by encouraging honesty and feedback on behalf of its members.

Impacts of the Change Process

Early improvements to the labour-management relationship have contributed, in part, to measurable increases in plant productivity, efficiency, and a

reduction in operating costs. For example, between 1993-1996, brewing per man hour increased from 21.8 hectolitres to 34.8 hectolitres. Bottling productivity almost doubled over the 3-year period from 3.3 to 6.2 hectolitre per man hour. Similarly, in 1996, the short-term absenteeism rate had been reduced to its lowest level in the past five years. There has also been a significant reduction in plant-wide grievances from 30-40 per year to one or two outstanding cases. This change is attributed to the interest-based problem-solving process that has helped to diffuse disputes, although changes in technology, and the introduction of a new bottling line, have also contributed to improvements in the plant performance.

According to a management official, the change process has also increased the awareness of workers and made them generally more concerned with their jobs and the operating results of the plant. The union input into management decision-making has also increased as a result of the management commitment to the problem-solving process. In turn, the union has shown a willingness to accept responsibility for its expanded role.

From the union perspective, management has recognized the need to provide the union with a legitimate forum to discuss issues affecting both parties. This process of consultation and information sharing during the term of the collective agreement has proven that the union's interests and concerns were not considered unreasonable. The jointly developed "behavioural modification" oriented discipline model has enabled both parties to take ownership of the process and accept responsibility for its successes and failures.

However, the impacts on line employees have been varied. On the one hand, the process has enabled employees to become more involved in day-to-day activities. Employee participation in shopfloor committees (e.g., safety, new bottling line set-up, packaging) has increased their input in decision making. Some employees have been selected as trainers for particular jobs, resulting in a better utilization of employees' skills.

On the other hand, the average shopfloor employee has been unaffected by the change process. A union representative added, "the members of the union executive have reaped the benefits of the problem-solving process, but they have failed to educate their

members." The representative cited poor rank and file communication as a significant problem. Therefore, a major challenge for the union leadership is to effectively represent the membership interests at the joint committee meetings, and promote new ways to convey information from the highest levels of the organization down to the shopfloor.

Conclusions and Lessons Learned

The change process at Labatt's London plant, described in this paper, is a valuable experience in changing labour relations. The key question is "can the change endure?" Improvements to the union and management relationship at the plant are sustainable in the future, according to a union official. However, he emphasized that both union and management must be aware of the commitment that is required to sustain the change process in the long run. Sustaining the change process will undoubtedly involve much time and resources from the parties involved.

Firstly, several union and management officials emphasized that both parties must exhibit patience and realize that a long-term relationship takes years to develop. According to a union official, there may be a tendency to accelerate the process in order to compensate for many years of conflict that preceded the current relationship. A related point made by a management official is that both parties must acknowledge that the process itself is very fragile and may be destroyed at any time. Such a breakdown may occur if one party demonstrates "bad faith" against the other party. Similarly, if current members of senior management are transferred from the London plant or the union executive is voted out of office, there is the risk that the previous adversarial relationship may return.

Secondly, union and management interviewees also noted that their representatives need to adopt a proactive approach to meet the obstacles that may arise. They must demonstrate a continued willingness to overcome apathy, hostility, and inflexibility that once characterized their traditional relationship. If either party becomes too comfortable or resistant in the process, or fails to introduce new ideas, there is a danger that the process may fail. As one senior management representative stated, "the parties must redesign the process or risk slipping back into an adversarial relationship."

Thirdly, both union and management officials believe that the lack of education and communication at the shopfloor level has the potential of becoming the most significant factor in sustaining the change process. It is critical, therefore, that representatives from union and management establish a formal procedure to communicate the key issues in the process from the highest levels down to the shopfloor. This effort will require leadership from both parties and a willingness to invest time and resources in educating the workforce.

From the union perspective, the interviewees suggested that the union has to take steps to ensure that its members are comfortable with the change process. Employees need to know why the process was established, how the process operates, and how the process may benefit them. Communicating this information will allow the union to achieve "buy-in" from its members that is essential for the process to operate effectively.

The development and implementation of the interest-based problem-solving process at the plant demonstrates that trust and credibility are the building blocks that are necessary to develop and improve the labour-management relationship. Trust "is difficult to build and difficult to sustain in an essential adversarial relationship, and some basis must be established before an alliance can even be considered." Ironically, trust is probably the most fragile ingredient of the improved labour-management relationship at the London plant.

In a typical labour-management climate, the relationship is characterized as adversarial. The problem solving approach is considered more cooperative. It challenges the "traditional mindsets" of both parties and proves that two conflicting groups are able to alter their behaviour no matter how ingrained adversarial attitudes may be. The union has shown

integrity and honesty in dealing with the new disciplinary system; union leadership has urged its members to accept responsibility for their misconduct. The union has also encouraged open communication and information sharing with management. Likewise, management has shown a willingness to lead the change process through its behaviour. Management has made meaningful efforts to integrate the union executive in the decision-making process, and has created a climate of working together by sharing financial and strategic information about the business, on an ongoing basis.

The change process at the plant provides a useful guide for negotiated change although diffusion of this type of change process to other industries may be limited due to unique characteristics of the beer industry. First, although the beer industry has suffered declining profits in recent years, it is still a profitable industry that has not faced a severe financial crisis. Second, from the employees' perspective, there were limited job losses, corporate downsizing, and layoffs as a result of the change process. The union was, therefore, not required to embrace changes in a "crisis" atmosphere.

The timeline for the change process at the London plant is also important to consider for a broader diffusion in Canadian industry. Labatt was not required to introduce this change process immediately in order to ensure its survival. Management and the union allowed for adequate time to phase in the changes and this is an important lesson to other companies for several reasons. First, the phased-in change process allowed the parties to become comfortable with the change process. Second, there was no urgency to implement the change process immediately and this made the transition less difficult for both union and management. Therefore, both parties were able to ease into the cooperative approach rather than trying to alter their behaviour out of necessity.

CANADIAN AIRLINES INTERNATIONAL – EMPLOYEE ASSISTANCE PROGRAM

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The Employee Assistance Program at Canadian Airlines International evolved from a remedial to a proactive program which facilitates strategic workplace changes and provides assistance to employees or their family members when they experience personal or work-related problems. The use of a joint labour-management steering committee, an off-site location, neutral funding, and an in-house program enable the program to highlight its confidentiality, neutrality and its ability to provide effective proactive and remedial services to the employees.

Organizational Information

Canadian Airlines International (Canadian) is a major airline in Canada and its flights cover many major cities in the world. It employs about 16,000 workers and about 85 per cent of them are unionized.

Functions of the Employee Assistance Program

The concept of this type of program originated from Occupational Alcoholism programs in the 60s when large organizations needed to deal with substance and chemical dependence in employees. Subsequently, the scope of these programs expanded to include work family-related problems. The basic philosophy of employee assistance programs is that healthy employees are more productive and it is in a company's best interests to help employees solve their problems so that they can focus on work. Employees, or people close to them, may experience problems such as emotional, personal, relationship problems, chemical dependency, or habitual gambling. These programs provide a confidential alternative for employees to address their problems.

At Canadian, the Employee Assistance Program originated in 1979 when unions suggested to use part of their Employment Insurance premium rebate to establish a program which would provide short-term counselling services and would refer employees to outside services when necessary. A joint labour-management steering committee was set up to create the mandate and policies of their program.

Recently, the company experienced a lot of changes, such as downsizing, and employees experienced problems coping with these changes. Besides counselling employees, the program staff began developing workshops dealing with organizational change. Workshops on stress management, coping with downsizing, and coping with uncertainty are examples of proactive and preventive approaches. For such a program to be effective, it must be informed about upcoming major company policy changes so it can develop appropriate programs designed to assist employees in dealing with these changes.

Consultation is another important function. Besides employees and their families, management or union officials may also be clients and access consultation on effecting organizational change, dealing with employees' emotions, and creating appropriate training workshops.

Characteristics of the Employee Assistance Program

Canadian highlights neutrality and confidentiality. Program officials do not report to either the management or the union individually; they report to a joint labour-management committee. Confidentiality is highly emphasized as the Assistance Program is not located within any of the company sites. Identities of employees who seek help from the program are kept confidential unless employees voluntarily inform others of their visits.

1. Joint Labour-Management Steering Committee

Program officials report to a joint labour-management committee which was responsible for setting the mandate and policies of the program, is involved in monitoring its performance and the hiring of in-house counsellors. The committee is composed of four vice presidents from the company and four union representatives, one from each of the four unions involved; union representatives rank may range from the president of a union to an elected representative. The composition of the steering committee guarantees top-level representation and endorsement from both unions and management and ensures cooperative planning and monitoring of the process.

2. In-house arrangement

The Employee Assistance Program ensures that Canadian receives tailor-made counselling services for all levels of the organization and that new programs are promptly designed as proactive measures to changes in the workplace. The program has six counsellors on staff, four in Vancouver and two in Toronto. In-house counsellors are highly qualified having a master degree in counselling and five to ten years of clinical experience. Criteria for hiring counsellors are as follows:

- neutrality;
- expertise in dealing with chemical dependencies;
- ability in providing one-on-one counselling;
- capacity to provide consultations with unions and management;
- aptitude to develop workshops; and
- awareness of organizational dynamics.

3. Off-Site Location

Canadian's Employee Assistance Program is located in an office which is not associated with any company bases or unions offices. This further guarantees the confidentiality of people who seek help. In addition, information about the employees and their family members accessing the service will not be released to the company or the union.

Procedures for Using Employee Assistance Program

When employees or their family members feel that they have work-related or personal problems and seek counseling, they contact the Assistance Program and arrange for an interview. Approximately 70 per cent of the calls received are made by employees. Moreover, employees may be referred by supervisors, union

representatives, family members, or work colleagues. Sudden deterioration of work performance may indicate personal or work-related problems. Referrals are helpful if employees are uncertain about how to deal with their problems.

Employees who call for help may meet with an in house counselor if they are located in Vancouver or Toronto, or be referred to external services. Program officials are responsible for interviewing and selecting external services in Canada and abroad. These external resources follow the mandate, policies and guidelines and are required to maintain confidentiality of their patients' information. They cannot communicate directly with the company on behalf of the employees.

Office hours are flexible to meet the needs of the users. Employees may decide whether they want to inform their supervisor, however, program officials would not inform others about employees' visits. After treatment, employees have access to follow up visits to ensure full recovery.

Relationship with the Other Departments in Canadian Airlines International

Program officials work in conjunction and in consultation with the company's Human Resources Department. They work closely together on some projects but at other times they are independent. For instance, while the training section in Canadian focus on air crew training, the Assistance Program would conduct a 3-hour stress management workshop within a 2-day air crew training program.

The program maintains a close network with other policy making groups in Canadian. If significant workplace changes are underway, program officials will be informed so that proactive workshops or seminars can be planned to help employees deal with the issues. The program is also a critical member of the emergency response team which is responsible for handling airline disasters. Should an airline disaster occur, the Employee Assistance Program would be involved.

Cost of Establishing and Maintaining Employee Assistance Programs

Since its beginning, the program has been funded by a seven per cent Employment Insurance premium rebate which is controlled by a joint labour-management

steering committee. The program is cost-effective and provides services to a large number of employees. In one year, program officials conducted some 400 workshops and served 6,000 employees. In addition to potential cost savings, program officials have more knowledge about the specific situations in the company; thus tailor-made workshops or counseling can be provided. This factor is important because the airline industry is not only about jobs, but also about lifestyles.

Outcome of the Employee Assistance Program

Due to the success of the program, most employees are aware of it and many have utilized its services. A company-wide survey was conducted in 1995 to evaluate employees' perception of the program. Survey results indicated that over 90 per cent of the respondents were aware of the program, indicating the success in internal marketing. Besides awareness, about 90 per cent of the respondents believed that the program upheld confidentiality, an essential feature of such programs. Over 80 per cent of the respondents indicated that they would be willing to call the Assistance Program if they experienced personal, work, or family problems. In addition to the highly regarded counseling services, the workshops conducted by the program were perceived as highly relevant.

A separate survey was completed by employees who had used the program services and over 90 per cent of the respondents were satisfied with the services they received and would recommend the program to their co-workers or their family members. These statistics provide strong evidence for the wide coverage and the benefits the program provides for users.

Although the program is well-received by employees, it is difficult to quantify its benefits in dollar terms. One reason is that such programs are not a standardized field. These programs may be run in-house or contracted externally; they may report solely to unions, to the company, or jointly to both; they may be run by coordinators with different personalities. All these factors may lead to different procedures, levels of confidentiality and neutrality, employees' perception, and different results. In addition, it is difficult to establish simple cause-and-effect relationships between such programs and employees' work performance, productivity, or companies' profitability levels.

Key factors of Success – Pitfalls to Avoid

1. The most important factor of success is the **mutual support from both unions and management**.

The Employee Assistance Program at Canadian is characterized by representation and endorsement from the executive level from both unions and management. Full cooperation between management and unions enables the committee to place employees' interests as the top priority. In addition, this leads to sharing of critical information, such as policy changes, which leads to the ability to provide relevant proactive services to employees and cope with strategic company changes. High level endorsement is also important in establishing employees' confidence in program usage. High utilization rate makes the program cost effective. If companies do not have unions, employee representation should be involved to plan, implement, and monitor the program's performance.

2. The program is highly **neutral**.

Because the program is funded by an Unemployment Insurance premium rebate, is located off-site, and reports to a joint committee, the image of the program is perceived as neutral. Employees have more confidence that their interests will be looked after.

3. The program is highly **marketed**.

The fact that most of the employees are aware of the program makes the program more cost effective. The program is well marketed: posters in cafeteria, offices, and washrooms, print brochures about various personal problems, articles in newsletters on topics such as dealing with conflict and stress management. Together with full support from the joint committee, marketing makes the program more effective.

4. The program needs to be **independent from the company and unions** but program officials need to be informed about critical events.

Independence of the program facilitates confidentiality and neutrality but separation will deter program officials from understanding the situations of employees. Being informed about strategic company changes enable program staff to provide relevant proactive workshops as well as remedial counseling services in a prompt and timely manner.

INTRODUCTION TO WORKPLACE VIOLENCE

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Most cases of violence in the workplace fortunately do not exact the toll of the April 6th shooting at Ottawa-Carleton Transportation (OC Transpo) by a former employee. Police reported that four of his ex-colleagues died before he turned his weapon on himself.

Articles by Sandra Cordon, "*Workplace violence rising*," and Chris Cobb, "*Murder victims mourned: Workplace violence on rise, experts say*," published April 8th in the Winnipeg Free Press and the Windsor Star, in the aftermath of the Ottawa event, present some striking opinions and facts.

Gerry Smith is the national trauma response director with Toronto-based Warren Shepell Consultants Corporation, one of the country's largest employee assistance providers. He states "Workplace violence is on the rise." He has been called to as many as 15 murders and suicides related to the workplace in the last four years – at work sites of the 1,200 corporate clients his company serves.

Staff stress has become a major problem for companies, leading to physical and emotional illness and damaging productivity. "And the expectation is, it's not going to get any better," according to Dr. Jack Santa-Barbara, head of CHC-Working Well (*Consultants Health Centre*), another of Canada's largest behaviour health providers, in Mississauga.

Homewood Health Centre, based in Guelph, Ontario found, in a Canada-wide study, that 25 per cent of office employees, and 40 per cent of blue-collar workers said they took time off because of stress last year.

Dr. Edgardo Perez, who specializes in organizational health at Homewood, says, "With downsizing and restructuring, anger is fairly high...we're beginning to see more open expressions of anger displayed against others."

According to Smith, work assaults are higher in Canada than in the United States, based on a survey done recently by the International Labour Organization. It found Canada – not the United States – among the top five nations in terms of workplace assaults. Included was a 19 per cent higher rate of physical or psychological assaults against Canadian women at work than in the United States.

While it's impossible to completely protect workers from acts of violence, University of Ottawa forensic psychiatrist, Dr. John Bradford, says significant progress has been made in the United States where structures to detect and deal with violent workplace behaviour have been developed.

He also cautions organizations and their employees to be aware that the workplace can be difficult for a depressed person. "The workplace is a social situation. A person who...is different and in some way can have problems coping. Employees need to be taught to see the signs of escalating violence or suicidal tendency...they should be able to look somewhere (within an organization) for help." A number of organizations have introduced employee assistance programs.

AGGRESSION AND VIOLENCE IN THE WORKPLACE

Gordon DiGiacomo

Consultant in Human Resources Management

Workplace violence has emerged as a significant occupational safety and health issue. This paper presents an overview of the problem in Canada. After discussing definitional issues, the article describes the forms that workplace violence can take and then draws upon several sources to show its prevalence in this country. Sexual harassment and acts of aggression against health care workers seem to be Canada's most serious workplace abuse problems. Explanations of workplace violence are discussed and four 'avenues' through which the issue can be and is being dealt with are set out. The article ends by recommending that some central agency be mandated to collect data on all forms of workplace violence and to stimulate further research into the matter. The article sees the anti-violence provisions of Saskatchewan's Occupational Health and Safety Act as being worthy of emulation by other jurisdictions.

Introduction

Workplace violence is becoming a matter of deep concern to a growing number of employees, union and management decision-makers, academics, and public officials. Unions, such as the Canadian Union of Public Employees and those representing health care workers, are reporting that many of their members are subjected to intolerably high rates of abuse and aggression.

In 1995, a discussion paper from the Occupational Safety and Health Branch of Human Resources Development Canada reported that, since the early 1980s, violence against employees has increased "in both perception and incidence." It observed that, "Employees as well as managers and supervisors have become all too frequent victims of assaults or other violent acts in the workplace which entail a substantial risk of physical or emotional harm" (Frappier, 1995).

The International Labour Office recently published a study which found that incidents of workplace violence are "occurring with increasing frequency." It declared that, "The search for ways of ensuring a violence-free workplace is becoming a major policy issue and concern for the International Labour Organization" (Chappell, Di Martino, 1998).

Clearly, workplace aggression has emerged as a significant occupational safety and health problem.

The physical, emotional and financial costs to the victims of workplace abuse can be high. It can also result in reduced morale and loss of pride in work, strain labour-management relations, and poison the work environment. More specifically, workplace abuse can mean increased absenteeism, higher sick leave costs, higher employee turn-over and difficulty in recruiting, higher insurance and worker compensation payments, and poor public image, all of which translates into lost productivity and reduced profitability.

The purpose of this article is to outline the dimensions of the problem of workplace violence in Canada. It opens by describing the manifestations of workplace violence and attempting to give some idea of the extent of the problem. It then focuses on explanations of violence and aggression against employees and ends by discussing responses to the issue.

The data-gathering for this article was done through interviews and a review of some of the literature on workplace aggression, harassment, abuse, and violence. Also, the Canadian Human Rights Commission was asked to compile statistics on workplace harassment complaints, and several provincial labour ministries were contacted to provide information on the prevalence of workplace violence in their province and on the relevant legislation.

Definition and Manifestations of Workplace Violence

The Canadian Centre for Occupational Health and Safety (1998) defines workplace violence as any act in which a person is abused, threatened, intimidated, or assaulted in his or her employment. It includes:

- threatening behaviour, such as destroying property, throwing objects, or shaking one's fist at another;
- verbal or written threats;
- harassment, which is any coercive or fear-inducing behaviour designed to trouble the target;
- verbal abuse, such as swearing, hurling insults or using condescending language; and
- physical attack, such as hitting, pushing, shoving, kicking.

An Australian lawyer, Max Spry (1998), uses the term, workplace harassment, instead of workplace violence, and says that it occurs whenever "a person subjects another in the workplace to degrading behaviour, ranging from verbal abuse or threats to actual physical violence." He points out that this behaviour can happen for any number of reasons, which may or may not have to do with discrimination. For example, harassment may be used by a supervisor to force out a subordinate so as to replace him or her with a 'buddy.' Harassment may be used to punish an employee who does not accept the culture of a particular workplace. It may be used to take revenge on a whistleblower. It may be used by someone simply because he or she has an active dislike for another employee. Or it may be used to get some benefit (e.g., a better office), or to avoid onerous or undesirable tasks. Regardless of the reason, workplace harassment, says Spry, is always about power, or more precisely, the misuse of power.

Spry also notes that, for many reasons, it is very difficult to determine the extent of workplace harassment. For instance, the aggrieved person may lack the confidence to take appropriate action or feel too intimidated or embarrassed to do so. Some skilled workers, instead of complaining about the harassing behaviour, may simply move to another workplace. Some employees may not define the problem in terms of the abuse of power but rather see it as a "personality clash." In so doing, they unintentionally minimize the seriousness of the matter, thereby allowing the offending behaviour to continue.

American researchers, Joel Neuman and Robert Baron (1995), use the term, workplace aggression, and define it as "efforts by individuals to harm others with whom they work, or have worked, or the organizations in which they are currently, or were previously, employed." The harm-doing is intentional and can include psychological and physical injury.

Neuman and Baron give several examples of workplace aggression and use a framework developed by aggression scholar, A.H. Buss (1961), to classify these examples (see Table 1). They contend that, while past research has concentrated on the physical manifestations of workplace aggression, future efforts must include a focus on the subtler forms, that is, behaviours that are primarily verbal, passive and indirect.

Canadian scholar, Loreleigh Keashly, agrees. In her view, there are non-physical forms of workplace aggression which are very damaging, which are often socially acceptable, which occur more frequently than the physical forms, but which have received little attention. She refers to these expressions of violence as emotionally abusive behaviours and their effect is to diminish the target's sense of himself or herself as a competent worker and person. They are particularly worrisome also because work relationships have been identified as key ingredients for a positive working environment (Keashly, 1998). Examples of emotionally abusive behaviours include using derogatory names, engaging in explosive outbursts, intimidating by use of threats of job loss, withholding needed information, aggressive eye contact, the 'silent treatment', and humiliating or ridiculing someone in front of others.

Keashly's definition of emotionally abusive behaviour is obviously a broad one; perhaps too broad to be useful to policy-makers and framers of collective agreements. The views of one arbitrator (Laing, 1995) on harassment seem pertinent here:

[Translation] Every act by which a person causes some form of anxiety to another could be labelled as harassment. But if this is so, there can be no safe interaction between human beings. Sadly, we are not perfect. All of us, on occasion, are stupid, heedless, thoughtless, and insensitive.

Not every act of workplace foolishness, says Laing, can be described as harassment. In Keashly's phraseology, not every act of workplace foolishness can be called emotionally abusive.

Table 1

**Examples of Eight Types of Workplace Aggression
Categorized According to the Buss (1961) Typology**

Physical-Verbal Dimension	Active-Passive Dimension	Direct-Indirect Dimension	
		Direct	Indirect
Physical	Active	Homicide Assault Sexual assault Dirty looks Interrupting others Obscene gestures	Theft Sabotage Defacing property Consuming needed resources Hiding needed resources Removing needed resources
	Passive	Intentional work slowdowns Refusing to provide needed resources Leaving area when target enters Preventing target from expressing self	Showing up late for meetings Delaying work to make target look bad Failing to protect the target's welfare Causing others to delay action
Verbal	Active	Threats Yelling Sexual harassment Insults and sarcasm Flaunting status Unfair performance evaluation	Spreading rumors Whistle-blowing Talking behind target's back Belittling opinions Attacking protégé Transmitting damaging info
	Passive	Failing to return phone calls Giving target the silent treatment Damning with faint praise Refusing target's request	Failing to transmit information Failing to deny false rumors Failing to defend target Failing to warn of impending danger

Source: Neuman, Joel H., Robert A. Baron. "Aggression in the Workplace." *Antisocial Behaviour in Organizations*. eds., R.A. Giacalone, J. Greenberg. Beverly Hills, California. Sage Publications, 1997.

For obvious reasons, trade unionists are very concerned about workplace violence. In their discussions of the problem, they tend to stress a distinction that scholars frequently do not. It is a distinction based on whether the aggressive actor is an employee or someone outside the workplace. For Canadian labour, the concern seems to be very much with the violence that is done to their members by non-employees (e.g., clients, patients, students, or inmates).

Extent and Severity

Unfortunately, there is no central agency in Canada that provides comprehensive data on the prevalence

and severity of workplace aggression. To get some idea of its seriousness, several sources have to be accessed.

One source is the Association of Workers' Compensation Boards of Canada (AWCBC). The latest issue of its annual publication, *Work Injuries and Diseases*, reveals that the number of fatalities and accepted time-loss injuries declined by 7.4 per cent between 1995 and 1997. In addition, the number of accepted time-loss injuries in Canada went from 602,531 in 1987 to 379,851 in 1997. However, the number of fatalities and accepted time-loss injuries *resulting from acts of violence* went up steeply between 1995 and 1997; over 88 per cent (see Table 2). The Health and Social Service sector

had, by far, the largest number of accepted time-loss injuries resulting from acts of violence (see Table 3).

Another source is Statistics Canada. Its 1993 national survey found that 23 per cent of Canadian women had been subjected to harassment, intimidation or humiliation at work. Of these women, 55 per cent identified co-workers, 39 per cent bosses or supervisors, and 13 per cent clients or customers as

the source of the violence (Women's Bureau, Human Resources Development Canada, *Workplace Responses to Violence Against Women*).

Chappell and Di Martino's work shows further that, in 1996, of 32 countries in both the developed and developing worlds, Canada ranked fourth in the percentage of women who reported experiencing some sort of sexual harassment at work.

Table 2

Fatalities and Time-Loss Injuries in Canada

	<u>1995</u>	<u>1996</u>	<u>1997</u>
Number of Fatalities and Accepted Time-Loss Injuries (A)	411,212	378,588	380,684
Number of Fatalities and Accepted Time-Loss Injuries Resulting from Acts of Violence (B)	2,463	4,176	4,644
(B) as a Percentage of (A)	0.60	1.10	1.22

Compiled by author from tables in AWCBC, *Work Injuries and Diseases, Canada 1995-97*. December 1998.

Table 3

Number of Accepted Time-Loss Injuries Resulting from Acts of Violence in Selected Industries

	<u>1995</u>	<u>1996</u>
Government Services	913	456
Health and Social Services	1,549	1,701
Retail Trade	390	377
Manufacturing	94	184
Educational Services	99	129

Source: AWCBC, *Work Injuries and Diseases, Canada 1995-97*. December 1998.

Data from the Canadian Human Rights Commission show a significant increase in the number of workplace harassment complaints since the early 1990s (see Table 4). Of the four categories of harassment complaint, those based on sexual harassment were, by far, the most frequently filed.

Some unions have sought to determine the extent to which their own members are subjected to acts of abuse. For instance, in 1994, the Saskatchewan Teachers' Federation undertook a survey and found that 40 per cent of respondents had experienced at least one incident of abuse in the year prior to the

survey. The most common type of abuse suffered was verbal abuse. Students, current and former, and parents were most likely to be the source of the abuse.

As mentioned earlier, a 1993 survey by the Canadian Union of Public Employees found that 61.2 per cent of respondents had been subjected to an aggressive act within the previous two years. Of those, 55 per cent had been subjected to three or more aggressive acts during the same time period (Pizzino, 1994). As with the Saskatchewan teachers, the most frequently cited type was verbal aggression.

The available data on the situation in each province and territory, fragmentary though it may be, also contribute to our understanding of the extent and

severity of workplace abuse in Canada. Table 5 presents some of this available fragmentary evidence on a province-by-province basis.

Table 4

**Number of Workplace Harassment Complaints
filed with the Canadian Human Rights Commission**

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Sex	23	37	57	60	101	125	181	233	172	211	199	189
Race	15	19	26	29	18	7	34	32	36	30	38	34
Colour	2	7	3	10	7	10	4	27	18	16	11	10
National or Ethnic Origin	7	8	11	27	14	23	31	37	23	29	33	38
Total*	47	71	97	126	140	165	250	329	249	286	281	271

* A small percentage of the above totals, 10 per cent at most, consists of complaints from customers or clients.

Table 5

**Fatalities and Accepted Time-Loss Injuries
Resulting from Workplace Violence by Province**

Legend: ■ Number* of Fatalities and Accepted Time-Loss Injuries
 ■ Number* of Fatalities Resulting from Acts of Violence
 ■ Number* of Accepted Time-Loss Injuries Resulting from Acts of Violence

Province/Territory	1995	1996	1997
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British Columbia

In British Columbia, the sector with the most severe problem of workplace abuse appears to be the health care sector. The provincial Workers' Compensation Board reported that wage loss claims by hospital workers due to acts of violence or force have increased by 88 per cent since 1985 (Pizzino, 1994).

Also, a study by Neil Boyd of Simon Fraser University found that, between 1982 and 1991, more than half of the acts of violence at work took place within the health care system (Boyd, 1993).

Professor Boyd reports on a survey conducted by the B.C. Nurses Union in 1991 which revealed that more than 70 per cent of the 505 nurse respondents had experienced violent incidents in the workplace during the preceding five years. More than 60 per cent had experienced six or more assaults and about 25 per cent of these had experienced 100 or more assaults during the 5-year period.

75,015	71,755	72,592
784	837	946

* The number of fatalities and accepted time-loss injuries in the provinces resulting from acts of workplace violence may be very low. In order to protect confidentiality, the Association of Workers' Compensation Boards of Canada (AWCBC) does not publish the actual numbers. Values are reported as:

Nil is denoted by « - »; 1 to 3 - X; 4 to 6 - XX; 7 to 9 - XXX; and >9 - actual numbers.

continued

Province/Territory

1995

1996

1997

Alberta

Data from the Alberta Ministry of Labour show that the health care sector was, between 1993 and 1997, the sector with the most time-loss claims.

30,378	31,926	35,354
250	290	319

Saskatchewan

A 1992 survey of randomly selected registered nurses in Saskatchewan employed in direct patient care found that, in the previous 12 months, 54 per cent of respondents were physically abused, 81 per cent were verbally abused, and 39 per cent sexually abused. Patients were responsible for 75 per cent of the incidents (Liss, 1993).

30,311	31,864	35,272
-	148	153

Note: Nil is denoted by " - ".

Manitoba

A 1993 survey in Manitoba indicated that, in a 2-year period, 47 per cent of the teachers who responded had experienced abuse from students and others. This was an increase of 10 percentage points from the previous survey conducted in 1989-1990 (see Saskatchewan Teachers' Federation discussion paper, *Violence in Schools*). Manitoba also reports a serious problem with violence against health care staff. It became so serious that, in 1991, a Ministerial Committee on Abuse of Health Care Staff recommended that an abuse prevention program be developed and implemented in all health care facilities in the province.

17,427	17,282	17,759
151	171	148

Ontario

In 1992, in response to a request from the Ontario Nurses' Association, the Ministry of Labour analyzed time-loss claims from non-supervisory nurses, accepted by the Workers' Compensation Board, where the cause was an act of violence. The claims were from the years 1987 to 1989 inclusive. The Ministry found that the number of claims ranged from 100 to 131 per year. The temporary benefit days lost varied from 1,898 to 3,113 per year and associated costs were over \$850,000 for the three years (Liss, 1993).

119,057	103,309	102,031
-	1,374	1,417

The study was undertaken as a result of the 1992 Nurse Assault Survey. It revealed that 59 per cent of respondents had been physically assaulted at some time during their careers; 35 per cent said they had been physically assaulted within the previous 12 months. Almost all of the assaults were at the hands of patients/clients.

continued

Province/Territory**1995****1996****1997****Quebec**

Based on available data.

130,074	119,728	117,809
X	XX	XXX
1,167	1,238	1,482

New Brunswick

A 1993 survey showed a significant level of teacher abuse, coming largely from current students. During an 18-month period, over 17 per cent of teachers had been physically attacked, another 18 per cent had property damaged, and 24 per cent reported incidents of verbal abuse. (These data for New Brunswick were mentioned by the Saskatchewan Teachers' Federation in its paper, *Violence in Schools*.)

4,327	3,926	4,229
XXX	31	41

Nova Scotia

The Nova Scotia Teachers' Union found that, in 1992, there were 354 acts of physical violence against teachers and their property and 1,996 incidents of verbal abuse (Robb, 1993).

10,483	7,963	8,219
67	54	58

Prince Edward Island

Based on available data.

2,445	2,438	1,797
18	-	15

Newfoundland

Based on available data.

6,176	5,289	5,314
X	X	X

Northwest Territories

Based on available data.

1,061	979	877
XX	11	XX

Yukon

Based on available data.

536	499	520
X	XXX	XX

Explanations of Workplace Violence and Aggression

A number of models and explanations of workplace aggression have been suggested. Some concentrate on the characteristics of the individual perpetrator. Others focus on the organizational context. Still others, such as Chappell and Di Martino, propose an interactive model.

In addition, different writers focus on different manifestations of workplace aggression. Some tend to concentrate on emotionally abusive behaviours committed by one employee or manager against another. Some deal exclusively with the issue of sexual harassment. Others devote their attention to acts of physical violence in the workplace. An all-encompassing theory that satisfactorily explains the reasons for the many forms of workplace violence and aggression does not yet seem to exist.

In their work for the International Labour Office, Chappell and Di Martino contend that violence and aggression at work are the result of the interaction between several individual and workplace risk factors. With respect to the former, the authors suggest that the risk of workplace violence is more likely to be committed by an individual who:

- has a history of violent behaviour;
- is a young adult male;
- has had a difficult childhood, including inadequate parenting;
- has a substance abuse problem;
- has psychological problems; and
- is in a situation conducive to violence.

The authors also agree that the working environment, including its culture and physical structure, is a key determinant of the level of workplace violence. For instance, it has been found that workplaces with good physical design features have fewer acts of aggression than those with poor design features. A participatory workplace where dialogue and involvement are encouraged and practised is less likely to experience violence and aggression than an authoritarian work environment where people work in isolation and maintain defensive attitudes.

Certain types of workers are also at risk. They include those who:

- work alone, such as taxi drivers and homeworkers;
- work with the public, such as flight attendants and social service workers;
- work with people in distress, such as health care workers;
- work in education;
- work with valuables, such as armoured car workers.

Chappell and Di Martino's model seems intended to explain why the more extreme, physical forms of aggression occur. Consequently, it has less validity as an explanation of why the emotionally abusive behaviours identified by Keashly, Spry, and Neuman and Baron occur.

For instance, while Chappell and Di Martino are right to include individual risk factors, some of those factors are disputable. The "young adult male" is one such disputable factor. Although there may be grounds to associate the young adult male with the physical forms of aggression, Keashly (1998) found that men and women are "equally likely" to exhibit emotionally abusive behaviour. And Boyd (1993) found that the "most likely perpetrator of workplace violence" is over 50 years of age and is male or female.

Also, in listing the characteristics of the vulnerable task situation, Chappell and Di Martino seem to emphasize that their analysis is really applicable only to workplaces with a history of physical abuse, committed by non-employees.

Other writers are more precise in identifying the workplace or organizational factors that contribute to violence and aggression. For instance, Julian Barling from Queen's University, in trying to explain the causes of physical violence committed by employees against fellow employees or the organization, suggests that perceptions about the fairness of an organization's policies and procedures; the degree of supervision, particularly the degree of electronic monitoring; and perceptions about one's job security are the three main organizational factors that need to be included in any explanation of the physical forms of workplace aggression.

Neuman and Baron would probably agree, even though they tend to concentrate on the subtler displays of aggression. They argue that contemporary business practices may actually “set the stage” for increased acts of aggression at work. In their view, reductions in the organizational work force, increased use of non-standard employment (such as part-time work), intensified pressure for greater worker productivity, and the abandonment of long-standing covenants between workers and employers have resulted in more workplace hostility.

In a study of more than 200 employees of several different organizations, the authors found that the greater the extent to which several changes had occurred in these organizations – changes such as downsizing, layoffs, and increased use of part-time employees – the greater the incidence of reported workplace aggression, most of which was relatively covert, that is, indirect, passive and verbal.

Why would the changes identified by Neuman and Baron lead to more abuse and aggression? Because, say the authors, they result in heightened levels of worker frustration, stress and emotional disturbances.

Frustration has long been viewed as an antecedent (or preceding circumstance) to aggression. Indeed, frustration has been found to be positively correlated with interpersonal hostility, sabotage, and work slowdowns.

Stress, too, has been linked to aggression. In their research, Chen and Spector (1992) found a direct relationship between occupational stress and interpersonal aggression, sabotage, theft, and absenteeism.

Frustration and stress also produce other emotional responses, including depression and resentment, both of which have been found to be associated with increased aggression and reduced helping behaviour.

It would be hard to deny that the profound changes in the workplace have had a significant impact on the attitudes, views, beliefs, feelings, and values of both managers and employees. In linking business practices with increased workplace aggression, both Barling and Neuman and Baron are warning that greater attention must be paid by management to the effects of organizational change on the employees.

Dealing with Workplace Violence and Aggression

Violence-free and respectful workplaces are in everyone's interest. Such workplaces, therefore, ought to be the focus of tripartite action. The three social partners – government, employers and labour – have a role to play, individually and collectively, in achieving their common objective.

In what follows, we look at **four ‘avenues’** through which measures can be taken to address the problem of workplace aggression and abuse.

1. Public Policy

Public policies to address one form of workplace violence, namely sexual harassment, are well-established in Canada. Not so with other kinds of abusive behaviour.

In most jurisdictions in Canada, violence in the workplace is covered by a very broad statement obligating the employer to ensure the health and safety of the employees. British Columbia, Saskatchewan and Manitoba are the only jurisdictions that go beyond this general obligation.

In British Columbia, workplace violence is dealt with in the *Workers' Compensation Act*. Workplace violence is defined in the Act's Regulations as,

the attempted or actual exercise by a person, *other than a worker*, of any physical force so as to cause injury to a worker, and includes any threatening statement or behaviour which gives a worker reasonable cause to believe that the worker is at risk of injury. (Emphasis added)

As the italicized phrase indicates, the legislation does not deal with acts of violence and abuse committed by co-workers.

The regulations go on to outline the employer's responsibility: “Every employer shall ensure the adequate direction and instruction of workers in the safe performance of their duties.” The owner or manager must develop and implement a violence prevention program that will eliminate or minimize the risk to staff.

Saskatchewan is the only province to have provisions concerning sexual harassment in its *Occupational Health and Safety Act*. The *Act* also has provisions concerning workplace violence. Among other things, the *Act* requires a comprehensive policy statement on workplace violence from employers:

An employer at a prescribed place of employment where violent situations have occurred or may reasonably be expected to occur shall develop and implement a policy statement to deal with potentially violent situations after consultation with:

- a) the occupational health committee;
- b) the occupational health and safety representative; or
- c) the workers, where there is no occupational health committee and no occupational health and safety representative.

Some of the 13 prescribed places of employment are: services provided by health care facilities; education services; corrections services; police services; taxi and transit services; and financial services.

The Manitoba *Workplace Safety and Health Act* has a Workers Working Alone Regulation. It requires the employer to provide and implement “a plan as a means of ensuring, so far as is reasonably practicable, the safety, health and welfare of that worker from risks arising out of, or in connection with, activities in that workplace.”

At the federal level, a package of amendments to Part 2 of the *Canada Labour Code* is expected to include an amendment giving the Minister authority to develop a regulation requiring an employer to establish a violence prevention program.

One issue that law-makers, federal and provincial, will have to consider is whether or not occupational safety and health legislation should include the physical and psychological effects suffered by workers as a result of a stressful work environment brought on by abusive and harassing behaviours. In a recent case before the Public Service Staff Relations Board, two federal public servants exercised their right to refuse to work on the grounds that their workplace became a danger to their physical and emotional health because of constant harassment and abuse of authority on the part of management. The Board concluded that the right to refuse provision in Part 2 of the *Canada Labour Code* is not applicable in this case because there was

no immediate or urgent threat to the applicants. In addition, the Board ruled that “the *Code* was intended to address a *physical* condition arising in a tangible, specifically identifiable location.” (Emphasis in original) In support of its decision, the Board cited the comments of a former Deputy Chairman of the Board who wrote in a 1987 decision:

In my view, the danger perceived by an employee under Part IV [now Part 2] of the *Code* must relate to a machine, thing or to the physical condition of the workplace of the employee. Such danger does not include stress or conflict arising out of human relationships.

Given the nature of the workplace in the late 1990s, one has to wonder whether law-makers need to re-think the meaning of danger on the job. Non-physical forms of aggression and abuse have the potential to be as devastating as a defective machine or a poorly constructed building. The right of workers to refuse to be the targets of abusive co-workers or supervisors may be an idea whose time has come. A Norwegian innovation, described below, is instructive.

2. Joint Action by Labour and Management

Labour and management do work together on issues related to violence against women in the workplace. A document from the Women's Bureau of Human Resources Development Canada reports that some Canadian employers and unions are conducting safety audits of workplaces to improve security against violence; providing training in human rights legislation and programs to reduce gender-based harassment; and establishing awareness and educational programs to sensitize both men and women to the problem of violence against women. Some employers and unions are also recognizing a woman's right to refuse to work in a situation where she might be harassed or feel endangered. Some collective agreements now include the conditions under which women can be asked to work alone or in isolated settings.

The Canadian Labour Congress has developed model collective agreement provisions on two areas of interest to this article:

- a) situations where employees are at risk of physical violence or verbal abuse from clients, persons in care or custody, or the public; and
- b) harassment and discrimination.

With respect to a), the Congress calls for a collective agreement provision that would, among other things, empower the local health and safety committee to deal with workplace violence issues. It suggests collective agreement clauses requiring, after consultation with the committee, the development and implementation of physical and procedural measures to protect employees from physical violence and verbal abuse, as well as training for employees in the recognition and management of abusive incidents.

The Congress' proposed provision on harassment and discrimination is very detailed, covering a range of substantive and procedural issues. It would commit both parties to recognizing "an employee's right to a working environment which is free of harassment on the grounds of race, sex and sexual orientation."

As comprehensive as it may be, however, the Congress' proposal does not go as far as the new provision negotiated in 1994 by the Norwegian Confederation of Trade Unions and the Confederation of Norwegian Business and Industry. Their agreement established a new workers' right: the right to refuse to work with persons who exhibit improper conduct. The provision reads:

Employees have the right to refuse to work with, or under the management of, persons who have shown such improper conduct that, according to the norms of working or social life generally, it ought to justify their dismissal. Discussions between employers and shop stewards should be held immediately if such situations arise.

3. Work Design

Work design means attending to the physical features and layout of the workplace to reduce the chances of a violent incident taking place. The value of doing so was pointed out by Chappell and Di Martino: "Engineering out the organizational problem at the source usually proves much more effective and less costly than increasing the coping capacity by means of protective intervention at the individual level."

The Canadian Centre for Occupational Health and Safety has recommended numerous measures toward this aim; it suggests, for instance, that the number of entrances to a workplace be minimized; that telephones be installed in isolated areas; that parking lots be adequately lit and regularly patrolled; that

furniture be arranged to prevent an employee from being trapped; and that waiting rooms provide sufficient personal space so that people do not feel crowded.

Both the Public Service Alliance of Canada and the Canadian Union of Public Employees have issued recommendations on work design. They suggest, for instance, that reception areas have glass barriers between the employee and the public; that interview rooms have two doors and alarm buttons; and that private washrooms be provided for staff.

The suitability of many design features is dependent on the workplace because what may seem like a preventive measure in one location may turn out to be a stressor in another. Thus, the involvement of the employees (and the public, where feasible) in the design of the workplace would seem to be a prudent move.

4. Organization Policies

Organization policies refer to the range of human resource management policies that employers can take to prevent workplace violence and aggression or to ameliorate the effects thereof. For example, employers can:

- develop, publicize and enforce a zero-tolerance policy on workplace violence and abuse;
- ensure that staffing levels are appropriate;
- ensure that employees are aware of situations and people with a potential for violence and aggression;
- in hiring, screen out individuals with a strong propensity toward aggression;
- set up formal training programs to provide employees with skills to be able to defuse, manage and respond to aggression and abusive behaviour; and
- develop procedures for investigating violent incidents and for addressing the impact of such incidents on the people involved.

Other, more fundamental human resource measures can be taken to promote a respectful workplace and reduce interpersonal hostility. Neuman and Baron argue that strategies which address feelings or perceptions of unfairness among employees are likely to be much more effective in reducing the frequency

and intensity of workplace aggression than the use of threats and punishment. In their view, two forms of organizational justice are of central importance:

- interpersonal justice, which refers to the demonstration of sensitivity to and concern for individuals within the organization; and
- informational justice, which refers to providing individuals with adequate explanations of and reasons for the procedures used in determining rewards.

In support of their argument, they note that, "Aggression is most frequently associated with perceptions of intentional provocation by others and also with feelings of exploitation." They refer to a study of theft rates in manufacturing plants during a period when pay had been cut by 15 per cent. "Employees who received thorough and sensitive explanations as to the reasons for these cuts were significantly less likely to engage in theft than their colleagues who were not similarly informed."

Similar arguments have been made by others. Allcorn (1994), for example, argues that hierarchical organization, authoritarian management style and poor communication are risk factors for abusive treatment. And in one study, Greenberg and Barling (1995) showed that both perceived injustice and electronic surveillance were associated with psychological aggression in the workplace.

The point here is not to excuse abusive behaviour but to show that human resource policies and styles impact on the level of workplace aggression and abuse. Thus, employers wanting to establish or alter a violence prevention program need to keep this relationship in mind.

Conclusion

The objective of this article has been to provide an overview of the workplace violence and aggression issue in Canada. The introductory section noted that

concern about this problem is increasing while the second offered a definition and described the forms that workplace violence can take. The third section drew upon several sources to show the prevalence of workplace aggression in Canada. These sources demonstrate that sexual harassment and acts of aggression against health-care workers are Canada's most serious workplace abuse problems. Section four offered explanations of workplace violence and concluded that an interactive model, which contends that workplace aggression is the result of the interaction between individual and workplace risk factors, is the kind of model that comes closest to explaining workplace violence. The final section discussed four 'avenues' through which workplace violence can be addressed: public policy, joint action by labour and management, work design, and organization policies.

The problem of workplace violence, abuse, aggression, and harassment can be seen as a challenge which, if addressed thoughtfully and prudently, can result in higher levels of civility, mutual respect and authenticity in the workplace. Organizations that can effectively deal with the subtle, indirect and passive forms of aggression and abuse, as well as the more direct forms, will become high-trust organizations, with all the benefits that high levels of trust bring.

To facilitate the efforts of employees, unions and management to construct high-trust and violence-free workplaces, it would be very helpful if some central agency, perhaps the Canadian Centre for Occupational Health and Safety, were to be mandated to collect data on all forms of workplace violence and to encourage additional research into the problem.

In addition, there appears to be a clear need for legislation to protect workers from violent behaviour on the part of clients, patients, customers, and others who are not co-workers. The anti-violence provisions contained in Saskatchewan's *Occupational Health and Safety Act* and the accompanying regulations constitute a reasonable model that seems worthy of emulation by other jurisdictions in Canada.

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THE RIGHT TO ORGANIZE AND COLLECTIVE BARGAINING: CANADA AND INTERNATIONAL LABOUR ORGANIZATION CONVENTION 98*

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Introduction

The impact of domestic labour legislation, policy and practices on daily life in the workplace is obvious. Less well known is the importance of international labour standards.

This article examines how Canada relates to International Labour Organization (ILO) Convention 98, on the Right to Organize and Collective Bargaining, which the ILO adopted in 1949. The Convention is designed to protect workers against acts of anti-union discrimination, to safeguard workers' and employers' organizations from mutual interference, and to promote voluntary negotiation between management and labour.

This examination is timely. The ILO is this year celebrating the 50th anniversary of the Convention's adoption. Convention 98 is one of seven ILO conventions which the ILO considers fundamental to the rights of human beings at work. The Convention's underlying principles are included in the ILO Declaration on Fundamental Principles and Rights at Work adopted at the June 1998 ILO Conference. The Declaration promotes the fundamental principles and objectives of the ILO Constitution which have been developed in the seven "core" conventions of the ILO. Canada played a major role in the development of the Declaration.

The ILO and International Labour Standards

The ILO was created in 1919 primarily for the purpose of adopting international standards to cope with the problem of labour conditions involving

"injustice, hardship and privation." The Organization's standard setting mandate was later broadened to include more general, but related, social policy, human and civil rights matters. The ILO's standards take the form of international labour conventions and recommendations. The ILO's conventions are international treaties, subject to ratification by ILO member States. Its recommendations are non-binding instruments – typically dealing with the same subjects as conventions – which set out guidelines which can orient national policy and action.

Seven ILO conventions – on freedom of association and collective bargaining (No. 87 and No. 98); forced labour (No. 29 and No. 105); non-discrimination (No. 100 and No. 111); and minimum age (No. 138) – have been identified as being fundamental to the rights of human beings at work, irrespective of levels of development of individual member States. These rights are a precondition for all the others in that they provide for the necessary tools for the improvement of individual and collective conditions of work.

International labour standards are the result of a unique process involving "international bargaining" among governments, employers' and workers' representatives from around the world at annual ILO conferences. The standards provide a global model for workplace rights and responsibilities and are intended to have a concrete impact on working conditions and practices in every country of the world.

* Paper based on the presentation by Yves Poisson to a symposium on International Labour Standards organized by the *Société québécoise de Droit international*, Laval University: Montréal, Quebec. March 8, 1999.

From a wider perspective, international labour standards contribute to the creation of democratic conditions and development. They play a major role in helping to offset potentially negative effects of international competition which have been argued as tending to be an obstacle to improved conditions of labour. International labour standards are key in meeting the challenge posed by globalization by reaffirming the value of social justice.

Ratification

Whether or not to transform an ILO Convention into a binding legal obligation through ratification is up to each member State of the ILO to decide for itself. It is important to keep in mind that even without ratification, ILO conventions, along with recommendations, can serve as a reference point for policy and action. Nevertheless, the ILO intends that international labour conventions be ratified wherever possible. A member State should have good reasons not to ratify. It is recognized that ratification can be a gradual process depending on a member State's particular circumstances.

Ratification Process in Canada

Although only the federal government has the authority to ratify an ILO convention, implementation of most of these conventions falls under both federal, provincial and territorial jurisdictions, given the division of powers over labour matters under the Constitution. For this reason, Canada ratifies ILO conventions on issues that come under federal, provincial and territorial jurisdiction only if the 14 administrations agree to ratify and implement the conventions without reservation. This unanimous consent rule makes the process very difficult and is one of the main reasons Canada has ratified relatively few ILO conventions – 27 out of 181.

However, the conventions Canada has ratified include several key conventions on fundamental rights, such as freedom of association, equal remuneration and non-discrimination in employment. A number of the conventions Canada has not ratified are outdated, need to be reviewed or are not particularly relevant to Canada's experience. Often, certain statutes in one or more jurisdictions prove to be obstacles. It is important to note, however, that labour legislation in Canada generally complies with and respects the spirit of the international conventions.

Canada continues to examine the possibility of ratifying more conventions. High on the list of priorities is the ratification of the new convention on child labour, once it has been adopted at the upcoming ILO Conference in June 1999.

Canada and Convention 98

Canada ratified ILO Convention No. 87 (1948), the Freedom of Association and Protection of the Right to Organise Convention, in 1972, but has not ratified ILO Convention No. 98 (1949), the Right to Organise and Collective Bargaining Convention. On the occasion of the 50th anniversary of Convention 98, the question is asked, "Why, if some 140 countries have ratified this convention, has Canada not done so, particularly when it is one of the seven core conventions?"

In Canada, there is a high level of conformity to the major principles of Convention 98. These involve, as mentioned earlier, protection against acts of anti-union discrimination and workers' and employers' interference in each other's affairs, and the encouragement and promotion of voluntary collective bargaining.

The provisions of the *Canada Labour Code* and the equivalent provincial laws ensure not only that the right to organize exists, but also that it is protected. Federal and provincial statutes contain provisions that protect worker and employer organizations against interference by the other party, and there are mechanisms at the federal and provincial levels to ensure that these protective measures are enforced and complied with.

Labour legislation in Canada imposes an obligation to bargain on the parties and requires that they allow authorized representatives to meet and negotiate in good faith. The legislation provides for sanctions where bargaining in good faith does not take place. The parties' right to negotiate collective agreements is thus guaranteed, for example, by the *Canada Labour Code*. The *Code* sets out the procedure for serving a notice to bargain and the time frame within which negotiations must begin, once the notice has been served. It also sets the conditions under which the parties can use conciliation and mediation to resolve any impasse during the bargaining process.

When it adopted the *Canada Labour Code*, the Parliament of Canada demonstrated that it wanted to encourage unions and employers to settle their

own affairs with minimal government intervention. The amendments recently made to Part I of the *Code*, which aim to modernize the *Code* and improve the collective bargaining process in federally regulated sectors, are the result of extensive consultations with the parties directly concerned.

Although the emphasis on Convention 98 is on protection against anti-union discrimination and on the promotion of voluntary collective bargaining, several of Convention 98's underlying principles are also found in Convention 87, which Canada has ratified. There have been suggestions that this similarity between the two conventions should enable Canada to ratify Convention 98.

But even with an impressive level of conformity to the main principles of Convention 98, Canada has not ratified the Convention because divergences remain between the Convention's requirements and the Canadian situation.

Certain Divergences Remain

The main obstacle to ratification is that, with the exception of the armed forces, the police, and "public servants engaged in the administration of the State," Convention 98 does not provide for any exclusions from collective bargaining rights.

This would appear to have been interpreted by the ILO to mean that workers, apart from the exceptions permitted in the Convention, must have access to statutory machinery providing for collective bargaining.

However, a number of jurisdictions in Canada exclude some types of workers, other than those allowed to be excluded under Convention 98, from their collective bargaining legislation.

One problem is the exclusion of agricultural workers. To put this problem in perspective, it should be noted that the majority of provinces and territories do not exclude agricultural workers from coverage under their collective bargaining statutes, and that these workers have the same bargaining rights as other employees.

However, it is the exceptions that are obstacles to ratification of Convention 98. Ontario excludes agricultural workers entirely, and Alberta excludes them for the most part. New Brunswick and Quebec exclude smaller farms from coverage by requiring a

bargaining unit to comprise five (New Brunswick), three (Québec) or more employees.

Another major obstacle is the exclusion of professional workers. Alberta, Nova Scotia, Ontario and Prince Edward Island exclude certain professional employees (in the architectural, dental, engineering, legal and medical fields) from their collective bargaining legislation. However, confidential and managerial exclusions appear to be much less of a concern to the ILO in terms of conformity to the requirements of Convention 98.

With or Without Ratification, Complaints are Possible

Whether or not the Convention is ratified, Canada can be and has been the subject of complaints alleging non-compliance with the fundamental principles of Convention 98. The ILO provides that national and international worker and employer associations can file complaints about non-compliance with the ILO's principles regarding freedom of association and collective bargaining.

A complaint can be made against any member State – in Canada, against the federal government, a province or a territory – even if it has not ratified Convention 98. This is because freedom of association, covered under Convention 87, and collective bargaining, covered under Convention 98, are among the principles set out in the ILO Constitution, which all member States must adhere to.

The vast majority of the complaints against Canada or one of the provinces concerned both Convention 98 and Convention 87. Nearly half of these complaints pertained to wage restrictions imposed in response to economic and financial problems in the public sector. The other half related to issues ranging from return-to-work measures in the public and private sectors to restrictions on the right to strike and to bargain collectively, particularly in the public sector.

States ratifying ILO conventions become subject to the ILO's regular supervisory machinery that aims to monitor and promote the full implementation of the convention – including the requirements for periodic reports and examination by the ILO Committee of Experts and the Conference Committee on the Application of Standards.

It has been suggested that if Canada were to ratify Convention 98 it would experience fewer complaints to the Committee on Freedom of Association since the regular supervisory machinery would provide a less costly and time-consuming alternative for interested parties to have their concerns addressed by the ILO.

Is Flexibility in Interpretation Possible?

There may be a basis for a more flexible interpretation of the requirements of Convention 98. Article 4 of the Convention requires that “measures appropriate to national conditions shall be taken, where necessary, to encourage and promote the full development and utilization of machinery for voluntary negotiations....”

It could be argued that article 4 does not require the establishment of a comprehensive, legally regulated, North American-style system of collective bargaining. It could also be argued that the words “measures appropriate to national conditions” allow some flexibility in the choice of an appropriate regime for workers in particular economic sectors.

Although a few provinces do not provide agricultural workers with bargaining rights, it is important to note that no province prevents the establishment of, and workers joining, associations designed to further the interests of agricultural workers, and that employers can voluntarily recognize and negotiate agreements with such associations, if appropriate.

Regarding the exclusion of professional workers in certain provinces, a more flexible approach could take the following realities into account:

- Many of these workers are self-employed, their remuneration is usually set by the market, and their working conditions are generally advantageous.
- These professional workers have generally shown little interest in taking advantage of collective bargaining rights. In fact, they have at times expressed concern about a possible conflict of interest arising between collective bargaining status and their professional obligations.

More examples could be given, but there may be a basis for a less restrictive approach to the requirements of Convention 98, which could make it possible for Canada to ratify the Convention in the future.

The Government of Canada has a strong commitment to the implementation of core labour conventions and, where possible, to the ratification of more of them. The new convention concerning prohibition and elimination of the worst forms of child labour immediately, which should be adopted in June 1999, will be given top priority. The Government of Canada will continue to assess whether the ILO's approach provides enough flexibility regarding Convention 98, which could lead to unanimous consent by the federal, provincial and territorial governments and ratification of the Convention.

Article 1

1. Workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment.
2. Such protection shall apply more particularly in respect of acts calculated to:
 - (a) make the employment of a worker subject to the condition that he shall not join a union or shall relinquish trade union membership;
 - (b) cause the dismissal of or otherwise prejudice a worker by reason of union membership or because of participation in union activities outside working hours or, with the consent of the employer, within working hours.

Article 2

1. Workers' and employers' organisations shall enjoy adequate protection against any acts of interference by each other or each other's agents or members in their establishment, functioning or administration.

continued

2. In particular, acts which are designed to promote the establishment of workers' organisations under the domination of employers or employers' organisations, or to support workers' organisations by financial or other means, with the object of placing such organisations under the control of employers or employers' organisations, shall be deemed to constitute acts of interference within the meaning of this Article.

Article 3

Machinery appropriate to national conditions shall be established, where necessary, for the purpose of ensuring respect for the right to organise as defined in the preceding Articles.

Article 4

Measures appropriate to national conditions shall be taken, where necessary, to encourage and promote the full development and utilisation of machinery for voluntary negotiation between employers or employers' organizations and workers' organisations, with a view to the regulation of terms and conditions of employment by means of collective agreements.

Article 5

1. The extent to which the guarantees provided for in this Convention shall apply to the armed forces and the police shall be determined by national laws or regulations.
2. In accordance with the principle set forth in paragraph 8 of article 19 of the Constitution of the International Labour Organisation the ratification of this Convention by any Member shall not be deemed to affect any existing law, award, custom or agreement in virtue of which members of the armed forces or the police enjoy any right guaranteed by this Convention.

Article 6

This Convention does not deal with the position of public servants engaged in the administration of the State, nor shall it be construed as prejudicing their rights or status in any way.

SELF-EMPLOYED WORKERS AND COLLECTIVE BARGAINING

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Canadian Artists and Producers Professional Relations Tribunal

Do self-employed workers in Canada have collective bargaining rights? Yes—some do! This may be a surprise to many readers. Since 1987, self-employed artists in Quebec have the legal right to collective bargaining.¹ Similarly, since the federal Status of the Artist Act was proclaimed in 1995, self-employed artists engaged by certain producers in the federal jurisdiction have a legal framework for collective bargaining. This article describes how the collective bargaining regime put in place by the federal Status of the Artist Act works, how this unique regime came into being and what has happened in collective bargaining under this regime since its introduction.

Labour Relations and the *Status of the Artist Act*

The *Status of the Artist Act* grants collective bargaining rights to the following categories of artists:

- authors within the meaning of the *Copyright Act* (such as writers, photographers and music composers);
- performers (such as actors, musicians and singers);
- directors; and
- other professionals who contribute to the creation of a production.²

The *Act* entitles these artists to form associations to represent them in their dealings with the following producers in the federal jurisdiction:

- broadcasting undertakings under the jurisdiction of the Canadian Radio-television and Telecommunications Commission;
- federal government departments; and
- most federal agencies and crown corporations (such as the National Film Board and national museums).

The Canadian Artists and Producers Professional Relations Tribunal is an independent adjudicative agency, established by the *Status of the Artist Act*, to administer the professional relations provisions of the *Act*. In this context, professional relations really means labour relations. Essentially, the Tribunal has the following tasks:

- to define the sectors of cultural activity that are suitable for collective bargaining;
- to certify associations to represent independent entrepreneurs working in these sectors;
- to hear and decide complaints of unfair practices filed by artists, artists' associations and producers; and
- to prescribe appropriate remedies for contraventions of the *Act*.

Certification of an artists' association by the Tribunal gives that association the exclusive right to negotiate with producers in the defined sector for the purpose of entering into scale agreements. A scale agreement is

¹ *Loi sur le Statut professionnel et les conditions d'engagement des artistes de la scène, du disque et du cinéma* (L.R.Q. c.S-32.1).

² The *Act* provides for additional categories of professional artists to be prescribed by regulation.

slightly different from the usual collective bargaining agreement in that it specifies the **minimum** terms and conditions to which a producer must adhere when engaging or commissioning work from a self-employed professional artist in a particular sector. This means that negotiations for a contract of engagement between a producer and an individual artist start at the minimum terms and conditions set by the scale agreement, and an artist may negotiate any terms above these minimums.

In general, the collective bargaining provisions of the *Status of the Artist Act* are fashioned after those in the *Canada Labour Code*. There are provisions regarding a certification procedure, notice to bargain, compulsory dues check-off, pressure tactics, appointment of a mediator by the Minister of Labour, revocation of certification, successor rights and obligations, unfair labour practices, and offences and penalties, etc.

There are some notable differences with the *Canada Labour Code*. For example, there is no provision for conciliation under the *Status of the Artist Act*. In the latter, pressure tactics by artists or producers may begin 30 days after expiry of a scale agreement or, in the case of a new certification, six months after certification. Another significant difference lies in the determination of the representativeness of an applicant for certification. The test that the Tribunal must apply in this matter is whether the applicant artists' association is the "most representative" of artists working in the sector. The Tribunal has complete latitude as to how it will make this determination, subject to a statutory condition that it must hear the views of artists and artists' associations affected by the application who wish to be heard. On the other hand, the Canada Industrial Relations Board (CIRB), in determining representativeness, must satisfy itself that a majority of the employees in a bargaining unit wish to have the applicant trade union represent them.

There are also some differences between the operation of the Tribunal and that of traditional labour boards. For example, the nature of the hearings conducted by the Tribunal in certification matters is somewhat different. At the time of receipt of an application for certification by the Tribunal, the parties involved may still be largely undetermined since more than one or perhaps many producers may be in the desired sector. In this context, the Tribunal's proceedings are more like a public inquiry – they are investigative. The Tribunal must decide what evidence it wants to hear

and ensure that this evidence is sought out and made available to everyone whose interests may be affected by an eventual decision. It may well be that at some point, after all of the affected parties have been identified, the proceedings will take on an adversarial nature, but this is not the model which applies at the outset of the process. On the other hand, because certifications under the provincial and federal labour codes usually involve one employer and one or more applicants for certification, the proceedings are generally treated as adversarial. Each party presents evidence and arguments in favour of its position. In this model, it is not the normal function of the decision-maker to seek out evidence on its own initiative.

Historical Background of the *Status of the Artist Act*

A number of key reports and events on both the domestic and international levels, dealing with the lack of sufficient recognition of artists and their poor living and working conditions, led to the passing of this legislation in Canada. In 1980, delegates at the UNESCO General Conference in Belgrade adopted the *Recommendation on the Status of the Artist* which included a recommendation that countries implement the right to collective bargaining for artists. Following Canada's signature of this recommendation, a number of studies were undertaken by government and private sector groups in an effort to find a means to enhance the socio-economic status of professional artists in Canada. Associations representing a number of artistic disciplines made representations to federal and provincial governments. A task force report prepared by Paul Siren and Gratien Gélinas in 1986 addressed the precarious economic situation of Canadian artists and recommended that independent artists be given access to collective bargaining rights such as those that existed for individuals in an employer-employee relationship.

Through voluntary recognition arrangements, artists' associations such as the Union des Artistes, the Alliance of Canadian Cinema, Television and Radio Artists, Canadian Actors' Equity Association and the American Federation of Musicians of the United States and Canada had been successful in negotiating scale agreements with some producers that established basic protections for their freelance members. However, without a statutory basis for these voluntary arrangements, artists' associations had no legal ability to require producers to bargain in good faith.

In 1987, Quebec enacted legislation that created the "Commission de reconnaissance des associations d'artistes"³ and established a regime for legal recognition of artists' associations. In 1989, a unanimous report of the House of Commons Standing Committee on Communications and Culture recommended the enactment of federal legislation recognizing the status of the artist. These events led to the development and passage by Parliament of the *Status of the Artist Act*, which received Royal Assent in June 1992 and was brought fully into force in May 1995.

Canada is currently the only country in the world which has legislation granting collective bargaining rights to freelance artists.

Creation of the Canadian Artists and Producers Professional Relations Tribunal

During the drafting of the *Status of the Artist Bill*, it had to be decided if the administrator of the new regime would be the Canada Industrial Relations Board (CIRB), which was responsible for administering the *Canada Labour Code* at the time, or whether it would be a new board, either autonomous from the CIRB or subordinate to the CIRB. It was decided for very specific reasons that there would be a new Tribunal, autonomous from the CIRB.

This issue was intensely discussed in the hearings of the Standing Committee on Communications and Culture on the Bill. In introducing the Bill for Second Reading, the Honourable Bernard Valcourt stated it thus: "The Bill provides for the creation of a tribunal parallel in structure to the Canada Labour Relations Board which is designed to be sensitive to the specific needs of Canadian artists." During the hearings, government officials from the Communications and Labour departments, artists and also one of the producers spoke in favour of the creation of a separate board. It was pointed out that the new board would be dealing with self-employed workers who work for several employers and who have different characteristics from employees working for one employer. Also, labour relations in the artistic community have some differences from those in the economy's industrial sectors. In the former, labour relations were described as being less adversarial, in part due to the fact that

producers and artists alike are involved in the creative process and to some extent they can change hats. For example, a producer may become a performer at some time and a writer at another time.

Composition of the Tribunal

The Tribunal is composed of a Chairperson, a Vice-Chairperson and from two to four full-time or part-time members. They are appointed by the Governor in Council, on the recommendation of the Minister of Labour in consultation with the Minister of Canadian Heritage. Currently the Tribunal has a Chairperson, Vice-Chairperson and three other members, all part-time. Since the Tribunal's inception, its members have generally come from the cultural community with some having experience as government executives in cultural affairs. The Tribunal is a federal government agency which reports to Parliament through the Minister of Labour. The staff of the Tribunal is very small, numbering about ten, headed by an Executive Director. The Tribunal contracts-out for most of its corporate services, often with other federal government departments.

Collective Bargaining Activity under the *Status of the Artist Act*

Since its first decision in January 1996, the Canadian Artists and Producers Professional Relations Tribunal has defined 20 cultural sectors and has certified artists' associations to represent these sectors. In most of the cases, artists' associations other than the applicant served notice of interest in intervening, mainly due to potential conflicts in jurisdiction. In most of these cases, the artists' associations themselves, encouraged by the Tribunal, reached agreements on jurisdiction before the hearing took place. Oral hearings were held in all certification cases except one. In addition, a representation vote was held in one case.

Seven associations which have received certification had already negotiated scale agreements on a voluntary basis before the status of the artist legislation was passed and they have negotiated renewals of some of these agreements. As well, three associations have negotiated first agreements, all with producers in the broadcasting sector.

³ "La Commission de reconnaissance des associations d'artistes et des associations de producteurs" (as it is now called) is the body responsible for administering Quebec's status of the artist legislation.

As in other jurisdictions, negotiations for a first scale agreement are taking time. Notices to bargain have been served by eight artists' associations for first agreements with various producers including the specialty television channels and federal government institutions.

Impact of the *Status of the Artist Act* (collective bargaining regime)

Labour relations and collective bargaining involving self-employed workers differ from what they are traditionally because of the nature of the work itself. In the case of the status of the artist regime described here, each time an artist is engaged by a producer, a new contract is negotiated between the two parties for that particular production. Furthermore, not only can artists work for various producers, they may also do different kinds of work and therefore belong to more than one artists' association. For example, a musician may also be a songwriter and a singer, and therefore belong to two or three different associations.

Although scale agreements may deal with some of the same issues as are found in collective agreements between employees and employers, such as hours of work with respect to actors, some issues are quite different. For example, a major issue for many artists engaged by broadcasters is the remuneration they will receive from the future sale of television and radio programs they are associated with, either as writers, musicians or actors.

The *Status of the Artist Act* was passed to give recognition to artists and to grant them a means to improve their economic situation. As soon as the Tribunal became fully operational, many artists' associations submitted applications for certification. The Tribunal is required by law to "proceed as informally and expeditiously as the circumstances and considerations of fairness permit." To comply with this requirement, the

Tribunal designed its procedures to be straightforward and usable by laypersons. The applications have been dealt with in a timely manner, with certifications granted on average within eight months of receipt of the completed application. At present, an estimated 50 to 75 per cent of the legislated jurisdiction is represented by certified artists' associations.

As explained in its Departmental Performance Report for 1997-1998⁴, the Tribunal will start to use surveys and other means in the near future to gather feedback from the artists' associations and producers on the extent to which they are satisfied with the collective bargaining regime and the Tribunal's administration. The *Act* requires that a formal evaluation of the labour relations provisions be carried out by the Minister of Canadian Heritage in the seventh year following proclamation.

Apart from the legal requirements to assess the effectiveness of this labour relations regime, there is growing interest in the operation of this unique regime on the part of policy makers, academics and others. The number of self-employed workers has been growing rapidly, particularly during the 1990s when self-employment accounted for three-quarters of the growth in total employment. For many of these workers, there has been a deterioration in job security, working conditions and financial stability. In its report to the federal Labour Minister in 1996, the Advisory Committee on the Changing Workplace recommended looking at sector-based models, such as the status of the artist regime, to those in search of new modes of representation for workers in the changing economy. In 1998, the federal Minister of Labour at the time, the Honourable Lawrence MacAulay, made mention of this labour relations regime in his presentation to the Inter-American Conference of Ministers of Labour. In addressing the necessity to adopt new approaches in response to globalization and the changing workplace, he stated that the *Status of the Artist Act* is an innovative model that can be applied to independent workers.

For more information, contact:

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⁴ As for all government departments and agencies, the Tribunal is required to submit a Departmental Performance Report annually. The Report is accessible on the Tribunal's website or a copy can be obtained free of charge by contacting the Tribunal.

SELECTION OF RECENT CHANGES IN CANADIAN LABOUR LAWS

Adopted Bills, Regulations and other Statutory Instruments

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British Columbia: Amendment to the *Employment Standards Regulation* under the *Employment Standards Act*; British Columbia Regulation 28/99 Gazetted February 9, 1999

This amendment to the *Employment Standards Regulation* introduces exempting provisions in the case of employees of high technology companies. A **high technology company** is defined as a company having more than 50 percent of employees who are high technology professionals, are managers of such high technology professionals or are employed in an executive capacity.

For an employee to be considered a **high technology professional**, the following three conditions must be met: a) the employee must be employed in one of the many types of employment listed in the regulations, such as a computer systems analyst, an Internet development professional, a computer programmer, a software engineer, a software developer, an applied biosciences professional, a technology sales professional, or any similarly skilled worker; b) the employee must have in his/her contract of employment a form of performance based pay in addition to a regular salary; and c) the employee must meet the prescribed education or work experience.

High technology professionals are exempted from Part 4 of the Act which deals with hours of work and overtime requirements, with the exception of section 39 of the Act which still applies and stipulates that employers must not require or allow an employee to work excessive hours detrimental to the employee's health or safety. High technology professionals are also exempted from the application of Part 5 of the Act which deals with statutory holidays.

Other amendments affect employees of high technology companies who are not high technology professionals. These employees (and their employers) are exempted from certain clauses of the Act, including the following : the obligation that an employer give a 24-hour notice of a shift change; the obligation that an employer pay overtime wages for work beyond 8 hours

per day, or 40 hours per week, or the equivalent provisions in the case of employees on flexible work schedules; the obligation that an employer provide a weekly period of at least 32 consecutive hours free from work (unless double the regular rate is paid for time worked during that period); the requirement to pay overtime at a rate of 1½ times the regular wage for work beyond 8 hours in a day or 40 hours in a week, or twice the regular wage for work beyond 11 hours in a day or 48 hours in a week; and, the obligation to credit overtime to a time bank at the rates mentioned above.

The amendment specifies four provisions that apply to employees of a high technology company who are not high technology professionals: a) an employer must give these employees at least a 24-hour notice before requiring them to work beyond their regular shift; b) an employer must pay at least the equivalent of 1½ times the regular wage for work over 12 hours in a day or 80 hours in 2 weeks; c) similarly, an employer must pay an employee on a flexible work schedule 1½ times the regular wage for work on a shift cycle that averages more than 12 hours in a day or 80 hours in 2 weeks; and d) an employee's time bank must be credited at the rates required under paragraph b) or c) above.

This amendment came into force on February 1, 1999.

Newfoundland: *An Act to Amend the Workers' Compensation Act*; Bill 42; Assented to December 15, 1998

This Act has amended the *Workers' Compensation Act* to provide, among other things, that the Worker's Compensation Commission is continued as the Workplace Health, Safety and Compensation Commission, and to add a new Part I.1 "Workplace Health and Safety" applying to workplaces, workers and employers covered by the *Occupational Health and Safety Act*.

This new Part of the Act gives various duties to the Workplace Health, Safety and Compensation Commission with respect to the promotion of occupational health and safety and the prevention of

workplace injuries and diseases. These notably include the following:

- to educate employers, workers and other persons about workplace health and safety and foster their commitment to this question;
- to provide services for occupational health and safety committees and worker health and safety representatives established or appointed under the *Occupational Health and Safety Act*;
- to promote, and provide funding for, workplace health and safety research;
- to develop standards for the certification of persons required to be certified under the *Occupational Health and Safety Act*, approve training programs for certification, and certify persons who meet the standards; and
- to make recommendations to the Department of Environment and Labour respecting workplace health and safety.

The Commission must pay from its assessment and revenue income the cost of the occupational health and safety division of the Department of Environment and Labour (a similar requirement was previously contained in the *Occupational Health and Safety Act*) and the cost of annual grants made by the Minister to associations promoting occupational health and safety in the province to a maximum of 5 per cent of its total assessment and investment income in each calendar year.

In addition, the Commission must allocate a maximum of 2 per cent of its total assessment and investment income in each calendar year to establish and maintain a special fund for the purpose of workplace health and safety research.

The changes described above came into force on January 1, 1999.

Newfoundland: Announcement of an increase in the minimum wage

On March 22, 1999, the government of Newfoundland announced an increase in the general minimum wage rate from \$5.25 to \$5.50 per hour effective October 1, 1999.

Nova Scotia: General, Road Building and Heavy Construction Industry and Logging and Forest Operations Minimum Wage Orders replacing previous Orders under the *Labour Standards Code*; Regulation 5/99 Gazetted March 12, 1999

By virtue of the new *Minimum Wage Order (General)*, the general minimum wage rate will increase from \$5.50 to \$5.60 per hour on October 1, 1999. It will be increased again on October 1, 2000 to \$5.70 per hour and to \$5.80 per hour on October 1, 2001. Similarly, the minimum hourly wage for inexperienced workers, currently at \$5.05 will increase to \$5.15 on October 1, 1999. It will be increased to \$5.25 per hour on October 1, 2000 and to \$5.35 per hour on October 1, 2001.

Maximum rates for board, lodging or meals that can be deducted from minimum wages will be increased as follows: in the case of board and lodging, from the current weekly rate of \$50.45 to \$51.35 on October 1, 1999, to \$52.25 on October 1, 2000, and to \$53.15 on October 1, 2001; in the case of board only, from the current weekly rate of \$40.80 to \$41.55 on October 1, 1999, to \$42.30 on October 1, 2000, and to \$43.05 on October 1, 2001; in the case of lodging only, from the current weekly rate of \$11.35 to \$11.55 on October 1, 1999, to \$11.75 on October 1, 2000, and to \$11.95 on October 1, 2001; in the case of meals only, from the current rate of \$2.60 per meal to \$2.65 on October 1, 1999, to \$2.70 on October 1, 2000, and to \$2.75 on October 1, 2001.

In the road building and heavy construction industry, the minimum wage rate also increases from the current \$5.50 to \$5.60 an hour on October 1, 1999, to \$5.70 per hour on October 1, 2000, and to \$5.80 per hour on October 1, 2001. These rates are also applicable to “time workers” in logging and forest operations. “Other workers” in logging and forest operations are subject to a minimum monthly rate which increases from the current rate of \$1075.00 to \$1095.00 on October 1, 1999, to \$1115.00 on October 1, 2000, and to \$1135.00 on October 1, 2001. “Other workers” are defined as “persons who have no fixed work week, whose hours of work are unverifiable, including: camp, gate and dam guardians; cooks and kitchen employees; stable hands; watch employees; fire rangers and wardens.

Other parts of these Minimum Wage Orders will largely remain unchanged.

These Orders will take effect on October 1, 1999.

YESTERDAY AND TOMORROW

Key Issues in Industrial Relations

Suzanne Payette
Workplace Information Directorate
Labour Program, Human Resources Development Canada

FIFTYEARS AGO...

In May 1949, the Labour Gazette (532) reported on key issues addressed by international specialists in industrial relations at a one-day conference at the University of Montréal's Industrial Relations Section. Topics covered then are still the topic of current debate.

Dr. Slichter, from Harvard University, speaking on the **effect of collective bargaining on production** said that one of the most important favourable results was the tendency of collective bargaining to speed up the rate of technological change. The pressure for wage increases influences management to try to increase productivity output. Another favourable effect was seen in the tendency for limitation of production to disappear under most piece-work systems after a trade union entered the picture. Fear of arbitrary rate cutting was eliminated and production increased. One of the adverse effects of collective bargaining, the "make work" policy adopted by some unions, was surprisingly little used because such rules appeared to benefit only a part of the union membership.

On compulsory **arbitration of wages**, Dr. Frey from the University of Pennsylvania Law School, stated that such an approach to resolving wage disputes was not in the interest of the employer, labour or the public in a peacetime economy under a system of free enterprise. In voluntary arbitration lay the major hope of preserving collective bargaining in industrial relations. Arbitration should not be used in contract negotiations because there is no term of references nor any standards by which an issue can be decided. He also warned against the dangers inherent in passing laws prohibiting strikes. According to Dr. Frey, flexibility, not rigidity, would be the cardinal feature of any strike legislation.

On the subject of **management rights**, Douglas Brown from the Massachusetts Institute of Technology, said that in many cases, property rights, which management claimed as theirs, would be more correctly described as ownership rights. A better approach was to state that management had certain functions to perform and that it had certain rights in order to perform those functions. Decent industrial relations could not be built on the basis of insistence on abstract rights. Far better results are to be attained by fostering participation of the workers. Stable industrial relations can be attained only when both management and union agree to discuss all questions of common interest.

Dr. Smith, President of the University of Toronto, said that the main concern of universities in the field of industrial relations should be the causes of industrial unrest and the abiding bases for industrial accord. On the one hand, the field is one of contention, sometimes bitter controversy, and universities sought to avoid such bothersome, embarrassing and even vexatious issues. Moreover, if universities were true to their obligations to work for the welfare of society, they could not stand aside in any "holier than thou" attitude. They must offer their resources to industry, not for the sake of management, unions, or any particular industry, but always for the sake of society.

TODAY...

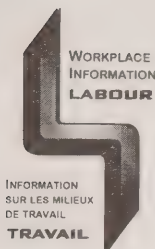
The effect of collective bargaining on production continues to be a topic of hot debate. A more modern approach seen in recent collective agreements and addressed in industrial relations fora has been the creation of joint labour-management committees to

address issues of production: technological change, organization of work, management rights, use of alternative dispute resolution mechanisms and methods of increasing labour and management flexibility.

The issues of dispute resolution, conciliation and arbitration, strikes, limitation to strike actions, and replacement workers were widely debated in the consultation process that preceded recent changes to the industrial relations provisions of the *Canada Labour Code*, the piece of legislation that regulates the federal private sector in Canada.

Many academics do offer expertise and resources through industrial relations centres, training courses and consulting to help business, labour, governments, industries and society at large in preventing and resolving industrial relations conflicts and in finding better ways of relating to one another.

Examples of academically-led initiatives include: interest-based bargaining, grievance mediation, relationship by objectives, and other approaches to bargaining and problem-solving. Case studies in this issue of the *Workplace Gazette* illustrate how many of these concepts have evolved and are exemplified in 1999.



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Our resources are used by negotiators, researchers, economists, consultants, journalists, teachers and many others. In Canada and abroad, members of the industrial relations community in the private and public sectors regularly call on the Workplace Information Directorate.

Workplace Gazette

A quarterly publication providing data on wage adjustments from major collective bargaining settlements by industry, sector and region; detailed analysis of select provisions in major agreements; comprehensive and in-depth information on innovative workplace practices in Canada resulting from collective bargaining; a quarterly calendar of major collective agreement expiries and reopeners; and, a chronological perspective on work stoppages in Canada. It also features articles or case studies on pertinent industrial relations matters. Annual subscription: Canada, \$125 plus 7% GST (\$133.75); other countries, U.S. \$125.

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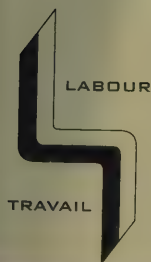
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An
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1999 Vol. 2, No. 3 Fall

- Contingent Work: Trends, Issues and Challenges for Labour
- Re-Thinking Contingent Work
- The Human Resource Management Challenge of Contingent Workers



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the Social Science Employees Association and the Public Service
Alliance of Canada.*

AT A GLANCE

The *Workplace Gazette* presents a wide range of information and analysis to meet the ever-changing needs of the industrial relations community. Its purpose is to provide a sound base for research in support of the bargaining process.

The *Workplace Gazette* includes information and analysis on wage adjustments, collective agreement provisions, innovative workplace practices, work stoppages, upcoming key negotiations and other related topics.

Section 1

In this issue, Section 1 includes the year 1999 – second quarter data on wage adjustments in major collective agreements, both current and historical by public and private sectors, by region, by jurisdiction and by major industry.

Section 2

Section 2 provides a detailed analysis of selected provisions dealing with “long term collective agreements”, i.e., those collective agreements with a duration exceeding 36 months, with and without the presence of wage reopeners. A listing of collective agreement expiries and information on work stoppages in Canada are provided. The latest data on union membership is highlighted.

Section 3

Section 3 summarizes innovative practices in the workplace resulting from collective bargaining and includes a number of articles and case studies. Case studies focus on Cinar and its approach to managing people in a highly creative environment. Work reorganization at Wink is described in a series of measures taken to introduce a modular approach to producing customized products on short term demand. Reorganization takes on a different meaning at Gaz Métropolitain involving modifying labour-management relations.

On the West Coast, examples of effective human resources practices are described at the Great Little Box Company. The Canadian Office of the Union of Needletrades, Industrial and Textile Employees shares its "Best Practices" Guide and provides examples of technological change at Western Glove Works in Winnipeg and at Golden Brand Clothing in Montréal.

In this issue, an article by Parsley from the Canadian Labour Market and Productivity Centre provides survey data to focus on policies and practices dealing with the hiring of young workers to replace retiring workers. Paquet and Gaétan compare the outcomes of interest-based bargaining to traditional bargaining.

In addition, a number of articles deal with the topic of contingent and non-standard work. Excerpts are taken from recent studies carried out by the Centre for Management Effectiveness of The Conference Board of Canada where focus has been on employers, labour organizations and individual workers; survey results and focus group information form the basis for these reports.

Canadian Policy Research Networks, Director Lowe, shares insights on benefits and challenges that emerge from changing employment relationships based on just-in-time human resource practices. Another article by Templer, Cawsey and Stone, addresses some of the traditional issues of human resources that are challenged by the presence of peripheral or contingent workers alongside core workers within organizations. New forms of human resources policies and practices will need to emerge to address some of these conflicting realities. Coiquaud focuses on a typology for describing the different employment status realities that exist in the world of work.

Recent changes in *Canadian Labour Laws* focus on adopted bills, regulations and other statutory instruments.

Yesterday and Today reviews the evolution of the occupational classification framework and the development of occupational career and labour market information.

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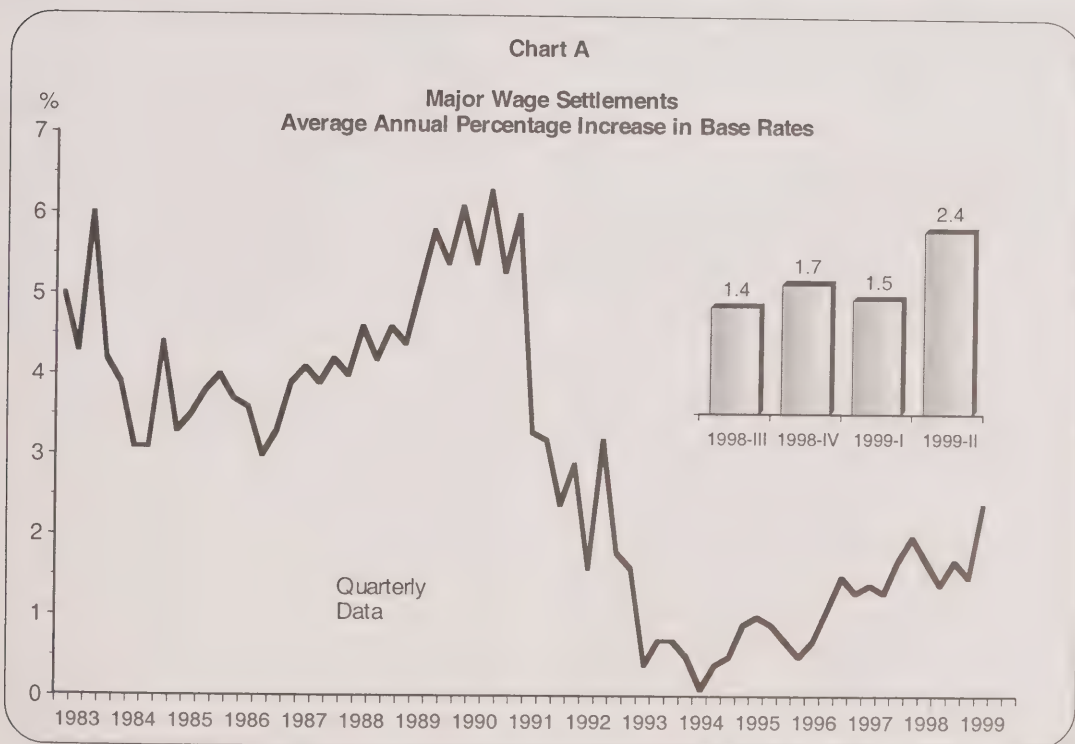
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SECTION 1

MAJOR WAGE SETTLEMENTS* – SECOND QUARTER 1999

Summary

- Annual base rate wage adjustments averaged 2.4 per cent; an increase from 1.5 per cent in the first quarter of 1999 and the overall 1.6 per cent for 1998 (see Chart A)
- There were 103 major collective bargaining settlements reached during this period covering 247,570 employees
- Private and public sectors both averaged 2.4 per cent which represents increases from 2.2 per cent for the private sector and from 1.3 percent for the public sector in the first quarter of 1999
- Wage adjustments were highest in the Prairie Provinces and federal jurisdiction, both at 3.1 per cent; the lowest in British Columbia averaging 0.5 per cent
- Wage adjustments, by industry, were the highest in the Construction sector at 5.3 per cent; the lowest in Trade and Finance averaging 0.8 per cent
- Only since the fourth quarter of 1997 have average wage adjustments been above the year-over-year rise in the Consumer Price Index (CPI)



Source: Workplace Information Directorate

* Major settlements are those involving bargaining units of 500 or more employees. All wage rate adjustments over the term of these agreements, including those arising from cost-of-living clauses (COLA), are taken into account. The yield of such COLA clauses is estimated on an assumed 2.0 per cent annual increase in the Consumer Price Index.

Overview

Major collective bargaining settlements reached in the second quarter of 1999 provided base-rate wage adjustments averaging 2.4 per cent annually over the contract term. This represents an increase from 1.5 per cent in the first quarter of 1999, 1.6 per cent for the year 1998, and the largest quarterly gain since the third quarter of 1992 (3.2 per cent).

The second-quarter 1999 results are based on a review of the 103 major collective bargaining settlements reached in the period, and covering 247,570 employees. When the parties to these settlements previously negotiated, with contract-duration averaging close to 29 months, the resulting wage adjustments averaged 1.3 per cent, compared to the 2.4 per cent in their second-quarter settlements. (Contract-duration averaged close to 39 months in these current settlements).

Since reaching a low in mid-1994, the overall size of wage adjustments has trended upwards (though unsteadily); however, the 2.4 per cent gain in the second quarter of this year remains well below the quarterly peak of 6.3 per cent in the third quarter of 1990. Also, only since the fourth quarter of 1997 have average wage adjustments been above the year-over-year rise in the CPI. In the second quarter of 1999, the CPI was 1.2 per cent above its level in the corresponding quarter of 1998, compared to the 2.4 per cent average wage adjustment from settlements in the second quarter of 1999.

Since 1993, average wage adjustments in the private sector have generally been above those in the public sector. Private-sector wage adjustments have often been larger than the rate of CPI increases. Since late 1997, the gap between the public and private sectors has narrowed, and in the second quarter of 1999, wage adjustments averaged 2.4 per cent in both the public and the private sectors. In the private sector, this represents an increase from 2.2 per cent in the first quarter of 1999 and 1.8 per cent for the year 1998; in the public sector, the second-quarter gain marked an increase from 1.3 per cent in the first quarter, and 1.6 per cent for the year 1998.

On a regional/jurisdictional basis, average wage adjustments in descending order of magnitude in the second quarter of 1999 were: the Prairie provinces and federal jurisdiction, both at 3.1 per cent; Atlantic Canada, 1.6 per cent; Ontario, 1.4 per

cent; Quebec, 1.3 per cent; and British Columbia, 0.5 per cent.

On an industry basis, wage adjustments were above the all-industry average of 2.4 per cent as follows: Construction, 5.3 per cent, Public Administration, 3.3 per cent, and in the primary sector, 2.6 per cent. Average wage adjustments were below the average 2.4 per cent as follows: Transportation, Communication and Other Utilities, 2.3 per cent; Community, Business and Personal Services, 2.2 per cent; Manufacturing, 2.1 per cent; and in Trade and Finance, 0.8 per cent.

Distribution by Size and Wage Adjustments

With the increase in the size of wage adjustments in both the public and private sectors of the economy, there has been a noticeable decline in the incidence of wage freezes and wage cuts. In 1994 when wage adjustments averaged 0.3 per cent, close to two-thirds (65.6 per cent) of all employees were subject to wage freezes and wage cuts. In the first half of 1999 with an average 1.9 per cent gain in wage adjustments, 4.8 per cent of all employees were subject to freezes and cuts, and in the second quarter of this year, with wage adjustments averaging 2.4 per cent, 3.0 per cent of employees were subject to wage freezes, with no wage rollbacks (see Table 1).

The increase in wage adjustments to 2.4 per cent in both public and private sectors in the second quarter has also been marked by a more "normal" distribution in both sectors. In that quarter, 54.8 per cent of public-sector employees received increases in the 1.0 per cent to 2.9 per cent range, compared with 51.7 per cent of employees in the private sector. In contrast, with public-sector wage adjustments averaging 1.6 per cent in the year 1998, 87.3 per cent of public-sector employees received increases in the under 3.0 per cent range, while in the private sector with wage adjustments averaging 1.8 per cent, 68.5 per cent of private-sector employees gained increases in the under 3.0 per cent range. At the same time, 7.0 per cent of public-sector employees received increases of 3.0 per cent and over, compared to 14.3 per cent of private-sector employees in that range.

Table 1
Distribution of Agreements and Employees
by Size of Wage Adjustments, Second Quarter 1999

Adjustment Range	Agreements		Employees	
	Number	Percentage	Number	Percentage
No increase (0%)	9	8.7	7,450	3.0
>0.0% to 0.9%	15	14.6	26,490	10.7
1.0% to 1.9%	23	22.3	75,000	30.3
2.0% to 2.9%	31	30.1	58,800	23.8
3.0% to 3.9%	14	13.6	44,060	17.8
4.0% to 4.9%	6	5.8	23,170	9.4
5.0% to 6.1%	1	1.0	500	0.2
6.0% to 6.4%	4	3.9	12,100	4.9
All Levels	103	100.0	247,570	100.0

Note: Percentages may not add to 100.0 due to rounding.

Source: Workplace Information Directorate

Public and Private Sectors, Regions/Jurisdictions

The rise in the overall level of wage adjustments to 2.4 per cent in the second quarter of 1999, (from 1.5 per cent in the first quarter and 1.6 per cent for 1998 as a whole), is attributable to gains in both the private and public sectors, but more so to the public sector developments. In that sector, wage adjustments rose to an average of 1.6 per cent in 1998, declining to 1.3 per cent in the first quarter of 1999, and rising to 2.4 per cent in the second quarter of the year. In the private sector, while wage adjustments have been generally higher than in the public sector, the pace of acceleration has been more modest than in the public sector. Wage adjustments in the private sector rose from an average of 1.8 per cent in 1998, to 2.2 per cent in the first quarter of 1999, and to 2.4 per cent in the second quarter (see Chart B).

The public-sector average of 2.4 per cent in the second quarter of 1999 resulted from 56 settlements covering 188,840 employees.

For private and public sectors combined, the largest concentration of employees was in the Prairie Provinces, where 86,660 employees in 27 agreements gained wage adjustments averaging 3.1 per cent. Wage increases also averaged 3.1 per

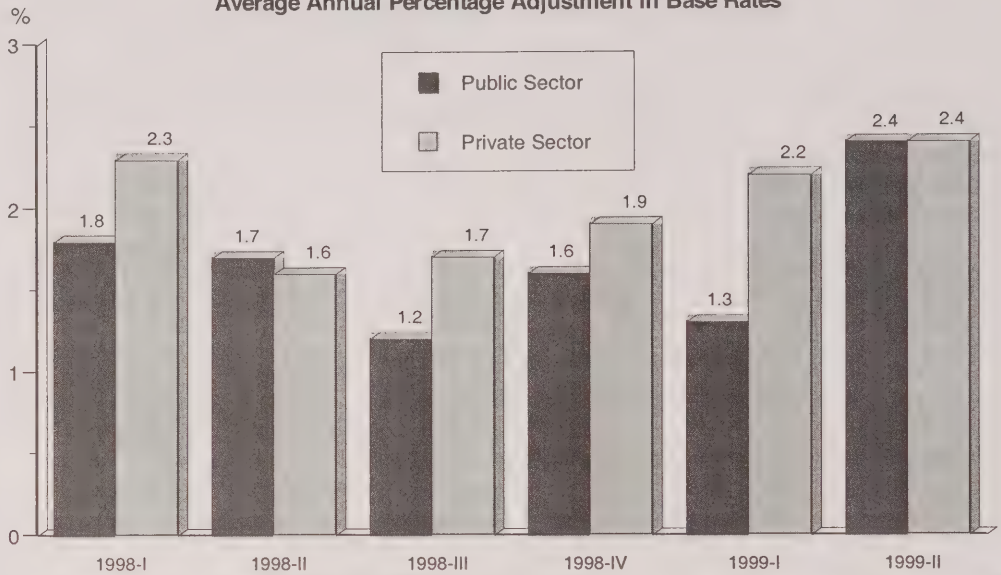
cent for 58,340 employees in 15 agreements in the federal jurisdiction. In other regions, average wage adjustments for the private and public sectors combined, were below the national average: Atlantic Canada, 1.6 per cent for 10,240 employees in eight settlements; Ontario, 1.4 per cent for 79,920 employees (the second largest number of employees by region) in 41 settlements; Quebec, 1.3 per cent for 3,780 employees in four settlements and British Columbia, 0.5 per cent for 7,330 employees in six settlements (see Chart C).

The largest concentration of public-sector employees was in the Prairie provinces, where 74,370 employees received wage gains averaging 3.1 per cent. The vast majority (59,530) was in the health sector with wage gains averaging 3.2 per cent, and ranging from an average annual increase of 1.8 per cent for 12,000 Saskatchewan Association of Health Organization employees, to a high of 4.9 per cent for 18,350 nurses and long-term care employees in Alberta.

In Ontario, 57,300 public-sector employees received wage adjustments averaging 1.2 per cent (half the national average). Over a half of these employees (30,860) were service employees of the Ontario

Chart B

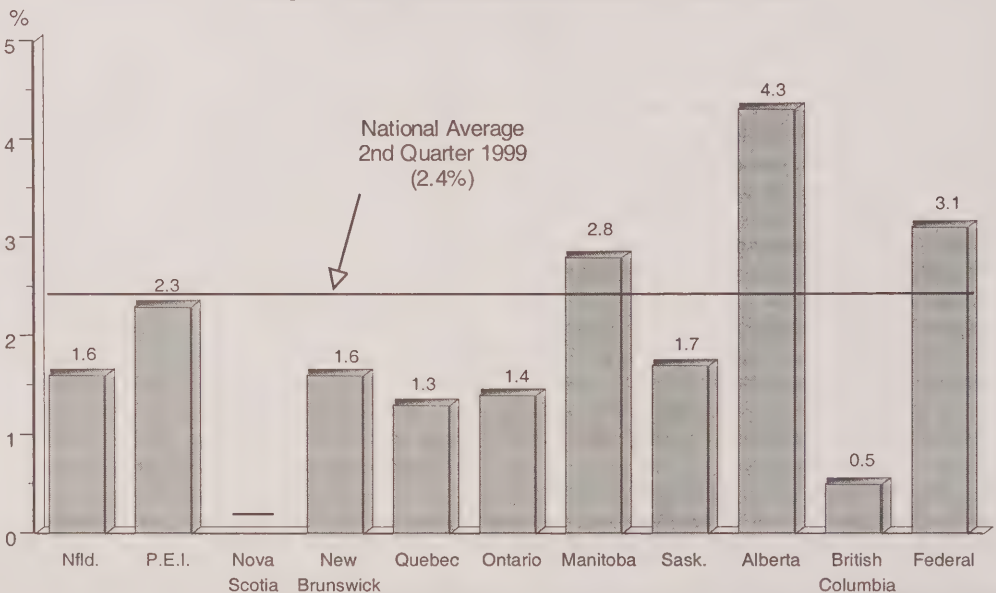
**Major Wage Settlements – Public and Private Sectors
Average Annual Percentage Adjustment in Base Rates**



Source: Workplace Information Directorate

Chart C

**Major Wage Settlements by Jurisdiction
Average Annual Percentage Adjustment in Base Rates**



Source: Workplace Information Directorate

Hospital Association with wage gains of 1.3 per cent (11,520 employees represented by the Service Employees International Union), and 1.2 per cent (19,340 employees represented by the Canadian Union of Public Employees). At the Workplace Safety and Insurance Board, 3,200 office employees received wage gains of 1.5 per cent, while 1,400 inside and outside employees of the City of Ottawa received wage increases of 2.5 per cent, and 700 Go Transit employees in Toronto, obtained increases of 3.0 per cent. The remaining 21,140 employees were in the province's education sector, with wage adjustments averaging 1.0 per cent.

The largest average public-sector increase by region/jurisdiction was in the federal jurisdiction, with wage increases averaging 3.2 per cent for 43,890 employees. Approximately 15,200 of these employees were under the *Canada Labour Code* with wage gains averaging 2.4 per cent. Another 28,700 employees under the *Public Service Staff Relations Act* received wage gains averaging 3.7 per cent. These employees received wage increases ranging from 2.0 per cent annually for 5,280 auditing employees, to 6.0 per cent for 7,600 computer systems employees. The 6.0 per cent annual gain for the latter group includes a previous "terminable

allowance", which has been blended into the wage-rate structure of the new one-year contract. For 14,350 general operational services employees, there was a 3.2 per cent increase.

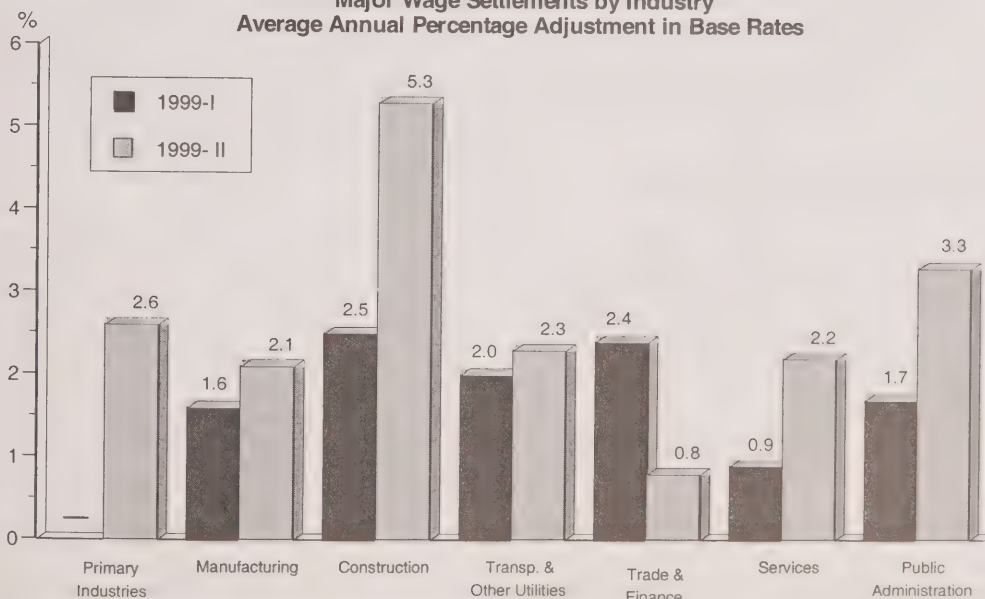
The lowest average public-sector increase was in British Columbia with 6,170 employees receiving wage adjustments averaging 0.4 per cent. They comprised 3,100 bus operators and mechanics in Vancouver and Victoria with an annual wage increase of 0.7 per cent, and 3,070 education-sector employees with wage adjustments averaging 0.1 per cent. In Atlantic Canada, 5,150 health-sector employees in two Newfoundland settlements received wage gains averaging 1.3 per cent, while in Quebec 1,960 Government of Quebec interns received an average 1.1 per cent increase (covering a 78-month period ending in June 2002).

In the private sector, the 2.4 per cent average wage adjustment in the second quarter of 1999 covered 58,730 employees in 47 agreements.

The largest average adjustment in the private sector occurred in the Prairie provinces where the average was 3.3 per cent for 12,290 employees in 12 agreements. They included: 5,050 construction

Chart D

Major Wage Settlements by Industry
Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate

employees in four trades with wage increases averaging 5.8 per cent; and 1,250 Canada Safeway¹ retail trade employees in Saskatoon with agreements yielding an average annual increase of 0.7 per cent.

In the private sector under the federal jurisdiction's Canada Labour Code, 14,450 employees gained increases averaging 2.7 per cent. They comprised: 7,200 Bell Canada service and maintenance employees at 2.8 per cent; 2,300 Bell Canada office and clerical employees at 0.2 per cent; 3,600 Air Canada customer service representation at 4.0 per cent; 950 NAV CANADA administrative and support employees at 3.0 per cent; and 600 New Brunswick Telephone Co. service and maintenance employees at 2.1 per cent.

The largest concentration of private-sector employees was in Ontario, where 22,620 employees in 17 settlements gained wage increases averaging 1.8 per cent. They consisted largely of 16,320 manufacturing employees with wage increases averaging 2.1 per cent, and 5,200 Brewers Retail employees with a wage increase of 0.6 per cent.

In other regions, 5,090 private-sector employees in six Atlantic-Canada settlements received wage increases averaging 2.0 per cent, (including 1,400 Iron Ore of Canada employees in Labrador at 2.4 per cent, and 1,200 Connors Brothers employees in New Brunswick at 1.3 per cent). In the Quebec private sector, 1,820 employees in three agreements gained increases averaging 1.5 per cent, while in British Columbia, 1,160 employees in two private-sector settlements gained increases averaging 1.2 per cent.

Wage Adjustments by Industry

On an industry basis, the largest concentration of employees (53.6 per cent of all employees), was in the Community, Business and Personal Services sector, with 132,780 employees gaining average adjustments of 2.2 per cent (see Chart D).

The largest average increases occurred in the Construction sector, with a small number of employees (6,650 or 2.7 per cent of all employees) receiving wage gains of 5.3 per cent (mainly the 5,050 employees in Alberta with an average increase of 5.8 per cent). A relatively small number of employees in the trade-finance sector (7,250 in five settlements) received wage adjustments averaging 0.8 per cent, the lowest industry average. They comprised 1,250 Canada Safeway employees in Saskatoon with three settlements¹ averaging 0.7 per cent, 5,200 Ontario Brewers Retail employees at 0.6 per cent, and 820 Finning Ltd. employees (more than one province), at 2.2 per cent.

In the Transportation, Communication and Other Utilities sector, 34,760 employees in 14 agreements gained increases averaging 2.3 per cent. Notable agreements in this sector (in addition to those already listed in the public/private sector analysis) include: 6,700 Canada Post Corporation postmasters at 1.7 per cent; and three Canadian Broadcasting Corporation settlements covering 7,460 employees (production, technical and office groups) averaging 3.1 per cent.

In Public Administration, 36,980 employees in nine settlements received wage gains averaging 3.3 per cent.

In other industries, 2,910 employees in three agreements in the primary sector received increases averaging 2.6 per cent, while 23,740 manufacturing-sector employees received wage adjustments averaging 2.1 per cent. The vast majority of these manufacturing-sector employees, 16,320, were in Ontario, with wage adjustments also averaging 2.1 per cent.

¹ The tabular count of employees in the accompanying tables show the three agreements separately, leading to an exaggeration of 2,500 in the total number of employees.

MAJOR SETTLEMENTS REACHED IN THE SECOND QUARTER OF 1999

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Primary (3 agreements)	2,910	2.6	2.2	47.9	
Abitibi-Price Inc., woods operators, Grand Falls (Nfld.)	530	2.2	3.0	60	2003-12-31
Iron Ore Company of Canada, production employees, Labrador City (Nfld.)	1,400	2.4*	1.2	60	2004-02-29
Suncor Energy Inc., mine employees, Fort McMurray (Alta.)	980	3.0	3.0	24	2001-04-30
Manufacturing (25 agreements)	23,740	2.1	1.5	41.1	
Algoma Steel Inc.,					
administrative services employees, Sault Ste. Marie (Ont.)	740	1.0*	1.0	12	2000-07-31
Algoma Steel Inc., production employees, Sault Ste. Marie (Ont.)	3,920	1.2*	1.2	12	2000-07-31
Bayer Inc., plant and maintenance employees, Sarnia (Ont.)	900	3.0	3.0	24	2001-01-31
Better Beef Limited, plant and maintenance employees, Guelph (Ont.)	600	0.0	0.0	24	2000-12-31
Bowater Pulp and Paper Canada Inc., mill employees, Thunder Bay (Ont.)	940	1.8	0.0	72	2004-04-30
Bristol Aerospace Limited,					
plant and maintenance employees, Winnipeg (Man.)	700	2.6*	2.0	36	2002-03-31
Cavendish Farms, plant and maintenance employees, New Annan (P.E.I.)	650	2.3	1.9	48	2002-12-31
Celanese Canada Inc.,					
plant and maintenance employees, Clover Bar (Alta.)	510	3.0	3.0	24	2001-02-28
Connors Brothers Limited,					
plant and maintenance employees, Charlotte County (N.B.)	1,200	1.3	0.0	36	2001-12-31
Consumers Glass Inc.,					
plant and maintenance employees, Montréal (Que.)	600	2.0*	2.0	48	2003-02-28
Dana Canada Inc., plant and maintenance employees, Thorold (Ont.)	1,100	3.7*	3.5	36	2002-05-31
DuPont Canada Inc., production employees, Maitland (Ont.)	500	2.5	2.5	24	2001-04-30
E.B. Eddy Forest Products Ltd., mill employees, Espanola (Ont.)	500	1.8	0.0	72	2004-04-30
Fraser Papers Inc., mill employees, Edmundston (N.B.)	520	1.8	0.0	72	2004-06-30
J.M. Schneider Inc., production employees, Kitchener (Ont.)	900	0.0	0.0	72	2005-06-01
Johnson Controls, Inc., Automotive Systems Group,					
production employees, Tillsonburg (Ont.)	500	3.1	2.7	36	2002-05-31
Kimberly-Clark Forest Products Inc., mill employees, Terrace Bay (Ont.)	520	2.4	3.1	36	2002-04-30
National Steel Car Limited,					
plant and maintenance employees, Hamilton (Ont.)	2,320	3.6*	3.1	48	2003-04-05
Navistar International Corporation Canada,					
production employees, Chatham (Ont.)	2,100	2.4*	1.8	36	2002-06-07
Northwood Inc., mill employees, Prince George (B.C.)	500	2.0	0.0	72	2003-04-30
PPG Canada Inc. (Duplate Division),					
plant and maintenance employees, Oshawa (Ont.)	780	2.8*	2.8	36	2002-03-31
Repap New Brunswick Inc., mill employees, Miramichi (N.B.)	790	1.8	0.0	72	2004-06-30
Tembec inc., mill employees, Témiscamingue (Que.)	650	1.9	0.0	72	2004-09-30
Weldwood of Canada Limited, Hinton and Hi-Atha Sawmill divisions,					
plant and maintenance employees, Hinton (Alta.)	650	2.0	0.0	72	2003-05-31
Weyerhaeuser Canada Ltd.,					
plant and maintenance employees, Prince Albert (Sask.)	650	2.0	0.0	72	2003-05-31

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Construction (7 agreements)	6,650	5.3	5.3	23.5	
Alberta Construction Labour Relations Association, iron workers, province-wide (Alta.)	800	6.1	6.2	24	2001-04-30
Alberta Construction Labour Relations Association, labourers, province-wide (Alta.)	3,200	6.4	6.2	23	2001-04-01
Alberta Painting Contractors Association, painters, province-wide (Alta.)	500	6.1	6.0	24	2001-04-30
Alberta Roadbuilders & Heavy Construction Association, operating engineers, province-wide (Alta.)	550	2.9	2.7	24	2001-02-28
Cement Masons Employer Bargaining Agency, cement finishers, province-wide (Ont.)	600	2.3	2.3	24	2001-04-30
Masonry Contractors Association of Alberta, bricklayers, province-wide (Alta.)	500	5.0	5.1	24	2001-04-30
Plasterers Employer Bargaining Agency, plasterers, province-wide (Ont.)	500	2.9	3.0	24	2001-04-30
Transportation, Communication and Other Utilities (14 agreements)	34,760	2.3	2.4	43.9	
Air Canada, customer service, system-wide	3,400	4.0	5.0	36	2002-03-30
B.C. Gas Utility Ltd., office and clerical employees, province-wide (B.C.)	660	0.5	0.0	24	2000-03-31
Bell Canada, craft and service employees, province-wide (Ont.)	7,200	2.8*	2.4	60	2003-11-30
Bell Canada, telephone operators, province-wide (Ont.)	2,300	0.2*	0.0	60	2003-11-30
Canada Post Corporation, postmasters, Canada-wide	6,700	1.7*	2.0	42	2001-12-31
Canadian Broadcasting Corporation, administrative services employees, Canada-wide	1,270	3.0	2.5	36	2001-03-31
Canadian Broadcasting Corporation, broadcast and TV employees, Canada-wide	3,470	2.8	2.5	38	2001-11-21
Canadian Broadcasting Corporation, technical employees, Canada-wide (excluding Que. and N.B.)	2,720	3.3	4.0	37	2001-06-30
GO Transit, bus drivers, Metropolitan Toronto and Region (Ont.)	700	3.0	2.8	19	2000-10-27
MTS Communications Inc., craft and service employees, province-wide (Man.)	1,050	2.8	4.1	36	2002-01-31
New Brunswick Telephone Company Limited, service and maintenance employees, Saint John (N.B.)	600	2.1	0.0	60	2003-03-29
SaskPower, administrative services employees, province-wide (Sask.)	640	1.7	2.0	36	2001-01-31
TransLink, bus drivers, Vancouver (B.C.)	3,100	0.7	0.0	36	2001-03-31
NAV CANADA, administrative and support employees, Canada-wide	950	3.0	5.0	40	2000-06-30
Trade (5 agreements)	9,750	0.8	0.2	34.5	
Brewers Retail Inc., warehouse employees, province-wide (Ont.)	5,200	0.6*	0.0	36	2001-12-31
Canada Safeway Limited, retail employees, Regina (Sask.)	1,250	0.0	0.0	36	1997-06-05
Canada Safeway Limited, retail employees, Regina (Sask.)	1,250	1.0	0.0	24	1999-06-05
Canada Safeway Limited, retail employees, Regina (Sask.)	1,250	0.9	0.6	36	2002-06-08
Finning Ltd., truck drivers, province-wide (Alta.)	800	2.2	1.5	36	2002-04-30

* Agreements with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Community, Business and Personal Services (40 agreements)	132,780	2.2	1.6	42.9	
Algonquin and Lakeshore Catholic District School Board, elementary and secondary teachers, Kingston (Ont.)	760	1.0	1.0	24	2000-08-31
Avon Maitland District School Board, elementary teachers, Seaforth (Ont.)	650	0.6	1.1	24	2000-08-31
Board of Governors of Ryerson Polytechnic University, professors, Toronto (Ont.)	550	0.9	0.8	36	2001-06-30
Board of School Trustees District No. 39, building maintenance, Vancouver (B.C.)	840	0.0	0.0	60	2000-12-31
Board of School Trustees of School District No. 39, office and clerical employees, Vancouver (B.C.)	1,430	0.3	0.0	36	2001-06-30
Board of Trustees of the Calgary Board of Education, elementary and secondary teachers, Calgary (Alta.)	5,760	3.3	3.2	36	2001-08-31
Capital Care Group, health service-non-professionals, Edmonton (Alta.)	980	2.9	2.7	24	2001-03-31
Catholic District School Board of Eastern Ontario, elementary and secondary teachers, Smiths Falls (Ont.)	720	4.1	0.0	24	2000-08-31
Continuing Care Employers Association, nurses, province-wide (Alta.)	500	4.9	3.0	24	2001-03-31
Corporation of Building Maintenance Employers of Quebec, building maintenance, Québec (Que.)	570	0.6	0.0	72	2003-10-01
Government of Newfoundland and Labrador, health and social care professionals, province-wide (Nfld.)	550	1.4	0.0	60	2001-06-30
Government of Newfoundland and Labrador, nurses, province-wide (Nfld.)	4,600	1.3	0.0	66	2001-06-30
Government of Quebec, health and social care professionals, province-wide (Que.)	1,960	1.1	0.0	78	2002-06-30
Greater Essex County District School Board, elementary teachers, Windsor (Ont.)	1,300	0.0	0.0	24	2000-08-31
Hamilton-Wentworth District School Board, elementary teachers, Hamilton (Ont.)	2,060	0.3	0.0	24	2000-08-31
Hastings and Prince Edward District School Board, office and clerical employees, Belleville (Ont.)	700	0.5	0.0	24	2000-06-30
Kawartha Pine Ridge District School Board, elementary teachers, Peterborough (Ont.)	1,460	0.9	0.0	24	2000-08-31
Limestone District School Board, secondary teachers, Kingston (Ont.)	570	0.0	0.0	24	2000-08-31
National Research Council of Canada, technical employees, Canada-wide	900	2.0	2.0	24	2000-02-13
Ontario Hospital Association, non-medical employees, province-wide (Ont.)	11,520	1.3	0.0	72	2001-10-10
Ontario Hospital Association, non-medical employees, province-wide (Ont.)	19,340	1.2	0.0	72	2001-09-28
Ottawa-Carleton District School Board, teaching assistants, Ottawa (Ont.)	530	0.0	0.0	24	2001-08-31
Peel District School Board, custodial, Mississauga (Ont.)	700	1.4	2.9	24	2000-06-30
Peel District School Board, office and clerical employees, Mississauga (Ont.)	620	1.4	2.9	24	2000-06-30
Provincial Health Authorities of Alberta, nurses, province-wide (Alta.)	16,500	4.9	3.0	24	2001-03-31

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Community, Business and Personal Services (continued)					
Provincial Health Authorities of Alberta, nurses, province-wide (Alta.)	1,350	4.9	3.0	24	2001-03-31
Regional Health Authorities of Manitoba, non-medical employees, province-wide (Man.)	8,350	2.3	3.0	36	2002-04-30
Regional Health Authorities of Manitoba, nurses, province-wide (Man.)	10,050	3.7	5.0	36	2002-03-31
Saskatchewan Association of Health Organizations, non-medical employees, province-wide (Sask.)	12,000	1.8	2.0	39	2001-03-31
Saskatchewan Association of Health Organizations, service and maintenance employees, province-wide (Sask.)	9,800	2.0	2.0	36	2000-12-31
Simcoe County District School Board, occasional teachers, Midhurst (Ont.)	800	1.2	0.0	44	2001-08-31
Simon Fraser University, teaching assistants, Burnaby (B.C.)	800	0.0	0.0	36	2001-04-30
Thames Valley District School Board, secondary teachers, London (Ont.)	1,800	2.7	4.4	24	2000-08-31
Toronto Catholic District School Board, elementary teachers, Toronto (Ont.)	3,900	0.5	0.0	24	2000-08-31
Toronto District School Board, occasional teachers, Toronto (Ont.)	1,450	0.5	0.0	24	2000-08-31
University of Guelph, teaching assistants, Guelph (Ont.)	660	0.0	0.0	12	1999-08-31
Upper Grand District School Board, elementary teachers, Guelph (Ont.)	1,210	0.4	0.0	24	2000-08-31
Upper Canada District School Board No. 26, occasional teachers, Brockville (Ont.)	700	4.5	0.0	24	2000-08-31
Winnipeg School Division No. 1, elementary and secondary teachers, Winnipeg (Man.)	2,740	2.0	2.0	24	2000-06-30
Winnipeg School Division No. 1, office and clerical employees, Winnipeg (Man.)	1,100	1.7	2.0	42	2001-07-06
Public Administration (9 agreements)	36,980	3.3	3.9	21.8	
Alberta Treasury Branches (Division Treasury Department-Government of Alberta), administrative services employees, province-wide (Alta.)	1,950	3.0	3.0	24	2001-03-31
City of Calgary, outside employees, Calgary (Alta.)	2,000	2.5	2.0	24	2000-12-31
City of Ottawa, inside and outside employees, Ottawa (Ont.)	1,400	2.5	2.5	12	1999-12-31
City of Winnipeg, administrative services employees, Winnipeg (Man.)	650	2.2*	2.5	36	2000-10-11
Communications Security Establishment.DND, administrative services employees, Ottawa (Ont.)	550	2.2	2.5	24	2000-02-09
Government of Canada, auditors, Canada-wide	5,280	2.0	2.0	12	2000-05-04
Government of Canada, computer systems operators, Canada-wide	7,600	6.0	6.0	12	2000-04-30
Government of Canada, firefighters, Canada-wide	14,350	3.2	4.8	27	1999-08-04
Workplace Safety & Insurance Board, office and clerical employees, province-wide (Ont.)	3,200	1.5	1.3	36	2002-03-31
Agreements with COLA (14 agreement)	35,710	42.3	1.9	1.7	
Agreements without COLA (89 agreements)	211,860	38.3	2.5	2.2	
All agreements (103 agreements)	247,570	38.9	2.4	2.1	

* Agreements with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Source: Workplace Information Directorate

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* Cost-of-Living Allowance (COLA) formulae are quantified using a combination of the latest relevant Consumer Price Index (CPI) data available and/or a projected CPI increase of 2.0 per cent. Consult the Technical Notes for information on the calculation of the yield from COLA increases, and definitions of the industry and sector divisions used in this publication.

Table A-1

Effective Wage Adjustment in Base Rates, Number of Agreements and Employees Covered, by Year and Quarter

	1996	1997	1998	1998		1999	
				3	4	1	2
All Industries							
Wage Adjustment (%)	0.9	1.5	1.6	1.4	1.7	1.5	2.4
Number of Agreements	377	380	394	101	101	103	103
Number of Employees (000's)	809.8	694.5	915.5	268.3	243.1	244.0	247.6
Private Sector							
Wage Adjustment (%)	1.7	1.8	1.8	1.7	1.9	2.2	2.4
Number of Agreements	164	160	176	50	33	27	47
Number of Employees (000's)	243.9	324.1	269.2	82.5	37.8	53.7	58.7
Public Sector							
Wage Adjustment (%)	0.5	1.2	1.6	1.2	1.6	1.3	2.4
Number of Agreements	213	220	218	51	68	76	56
Number of Employees (000's)	565.9	370.4	646.3	185.9	205.3	190.3	188.8
Federal Administration							
Wage Adjustment (%)	0.0	3.2	2.2	2.2	2.2	2.1	3.7
Number of Agreements	1	1	16	6	6	3	5
Number of Employees (000's)	0.6	8.7	124.2	16.0	100.5	15.0	28.7
Federal Crown Corporations							
Wage Adjustment (%)	0.4	1.4	2.2	1.5	-	-	2.5
Number of Agreements	5	8	7	1	-	-	5
Number of Employees (000's)	10.1	65.4	9.3	3.0	-	-	16.1
Provincial Administration							
Wage Adjustment (%)	0.2	1.2	1.6	0.9	1.6	1.6	1.5
Number of Agreements	37	26	30	5	8	15	1
Number of Employees (000's)	151.8	45.1	112.2	37.7	10.9	58.4	3.2
Local Administration							
Wage Adjustment (%)	1.1	1.3	1.5	2.2	2.1	2.3	1.8
Number of Agreements	31	34	32	9	4	9	5
Number of Employees (000's)	48.8	43.8	49.1	12.0	4.4	6.8	7.9
Education, Health and Welfare							
Wage Adjustment (%)	0.5	1.0	1.3	1.1	0.9	0.9	2.2
Number of Agreements	122	147	131	30	49	44	38
Number of Employees (000's)	319.1	203.0	349.4	117.1	88.4	102.3	131.3
Public Utilities							
Wage Adjustment (%)	0.9	1.6	1.4	-	2.0	2.4	2.4
Number of Agreements	17	4	2	-	1	5	2
Number of Employees (000's)	35.4	4.4	2.1	-	1.2	7.8	1.7

Table A-2

**Effective Wage Adjustment in Base Rates, by Effective Period,
Second Quarter 1999**

Sector/ Agreement Duration	Number of Agreements	Number of Employees	First 12 Months	Second 12 Months	Third 12 Months	Fourth 12 Months	Average Annual Adjustment	Average Agreement Duration
		(000's)	(%)	(%)	(%)	(%)	(%)	(Months)
All Industries								
17 Months or Less	6	19.6	3.3	-	-	-	3.3	12.0
18-29 Months	41	73.7	2.8	3.5	-	-	3.0	24.5
30-41 Months	29	84.6	2.5	2.3	2.2	0.0	2.3	36.6
42 Months or More	27	69.7	0.7	1.4	1.7	2.0	1.6	64.6
All Agreements	103	247.6	2.1	2.4	2.0	1.6	2.4	38.9
Private Sector								
17 Months or Less	2	4.7	1.2	-	-	-	1.2	12.0
18-29 Months	14	12.1	3.6	3.8	-	-	3.8	23.7
30-41 Months	13	19.8	1.9	2.2	2.1	0.0	2.0	36.2
42 Months or More	18	22.3	1.4	2.1	2.2	2.7	2.1	61.7
All Agreements	47	58.7	2.0	2.5	2.1	2.4	2.4	41.4
Public Sector								
17 Months or Less	4	14.9	4.0	-	-	-	4.0	12.0
18-29 Months	27	61.7	2.6	3.4	-	-	2.9	24.6
30-41 Months	16	64.8	2.7	2.3	2.2	0.0	2.4	36.7
42 Months or More	9	47.4	0.3	1.0	1.5	1.7	1.3	65.9
All Agreements	56	188.8	2.2	2.3	1.9	1.2	2.4	38.1
Federal Administration								
17 Months or Less	2	12.9	4.4	-	-	-	4.4	12.0
18-29 Months	3	15.8	4.6	2.4	-	-	3.1	26.7
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	5	28.7	4.5	2.4	-	-	3.7	20.1
Federal Crown Corporations								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	1	2.0	3.0	3.0	-	-	3.0	24.0
30-41 Months	3	7.5	3.1	3.0	3.3	0.0	3.0	37.3
42 Months or More	1	6.7	2.0	2.0	2.0	0.1	1.7	42.0
All Agreements	5	16.1	2.6	2.6	2.7	0.1	2.5	37.6
Provincial Administration								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	1	3.2	1.3	1.3	2.0	-	1.5	36.0
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	1	3.2	1.3	1.3	2.0	-	1.5	36.0
Local Administration								
17 Months or Less	1	1.4	2.5	-	-	-	2.5	12.0
18-29 Months	2	2.7	2.2	2.7	-	-	2.6	22.7
30-41 Months	2	3.8	0.4	0.2	2.2	-	0.9	36.0
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	5	7.9	1.4	1.3	2.2	-	1.8	27.1
Education, Health and Welfare								
17 Months or Less	1	0.7	0.0	-	-	-	0.0	12.0
18-29 Months	21	41.2	1.9	3.9	-	-	2.8	24.0
30-41 Months	8	48.7	2.8	2.4	2.1	0.0	2.4	36.7
42 Months or More	8	40.7	0.1	0.9	1.4	1.9	1.2	69.8
All Agreements	38	131.3	1.7	2.4	1.8	1.5	2.2	42.9
Public Utilities								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	2	1.7	3.3	1.8	2.0	-	2.4	36.0
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	2	1.7	3.3	1.8	2.0	-	2.4	36.0

Table B-1

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1996	1997	1998	1998		1999	
				3	4	1	2
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Industries							
Agreements without COLA	0.6	1.4	1.6	1.3	1.6	1.5	2.5
Agreements with COLA	2.5	1.7	2.5	2.3	3.2	2.1	1.9
All Agreements	0.9	1.5	1.6	1.4	1.7	1.5	2.4
Primary Industry							
Agreements without COLA	1.7	1.9	1.1	-	0.0	-	2.7
Agreements with COLA	1.7	1.7	-	-	-	-	2.4
All Agreements	1.7	1.7	1.1	-	0.0	-	2.6
Manufacturing							
Agreements without COLA	2.8	2.1	0.9	0.5	1.4	1.4	1.8
Agreements with COLA	2.8	2.6	2.7	3.0	3.2	2.5	2.3
All Agreements	2.8	2.3	1.4	1.1	1.8	1.6	2.1
Construction							
Agreements without COLA	0.0	1.6	2.4	1.9	2.3	2.5	5.3
Agreements with COLA	1.2	-	2.9	3.0	2.7	-	-
All Agreements	0.1	1.6	2.4	2.0	2.4	2.5	5.3
Transportation, Communication and Other Utilities							
Agreements without COLA	0.7	1.7	1.9	1.7	1.9	2.0	2.6
Agreements with COLA	1.9	1.5	1.9	1.5	4.1	1.7	2.0
All Agreements	0.7	1.6	1.9	1.7	2.2	2.0	2.3
Trade; Finance, Insurance and Real Estate							
Agreements without COLA	0.7	1.7	1.5	1.9	1.5	2.4	0.9
Agreements with COLA	0.2	1.6	2.8	2.8	-	-	0.6
All Agreements	0.6	1.7	1.5	2.0	1.5	2.4	0.8
Community, Business and Personal Services							
Agreements without COLA	0.6	1.0	1.3	1.1	0.9	0.9	2.2
Agreements with COLA	0.8	1.5	0.9	0.0	-	-	-
All Agreements	0.6	1.0	1.3	1.1	0.9	0.9	2.2
Public Administration							
Agreements without COLA	0.2	1.4	1.8	1.4	2.2	1.7	3.4
Agreements with COLA	4.9	-	-	-	-	-	2.2
All Agreements	0.4	1.4	1.8	1.4	2.2	1.7	3.3

Table B-2

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1996		1997		1998	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)	
All Industries						
Agreements without COLA	330	707.9	343	582.0	359	883.0
Agreements with COLA	47	101.9	37	112.5	35	32.5
All Agreements	377	809.8	380	694.5	394	915.5
Primary Industry						
Agreements without COLA	8	7.0	3	2.3	2	1.8
Agreements with COLA	3	3.5	5	8.3	-	-
All Agreements	11	10.5	8	10.6	2	1.8
Manufacturing						
Agreements without COLA	49	34.3	41	49.7	48	61.3
Agreements with COLA	32	77.1	21	22.6	25	23.9
All Agreements	81	111.4	62	72.3	73	85.1
Construction						
Agreements without COLA	10	8.5	32	104.8	45	92.8
Agreements with COLA	2	1.1	-	-	3	2.2
All Agreements	12	9.6	32	104.8	48	95.0
Transportation, Communication and Other Utilities						
Agreements without COLA	62	131.3	27	67.6	39	80.4
Agreements with COLA	5	4.2	5	59.5	3	4.0
All Agreements	67	135.5	32	127.1	42	84.4
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	16	30.8	29	56.2	16	25.0
Agreements with COLA	1	9.4	4	18.7	1	0.8
All Agreements	17	40.2	33	74.9	17	25.8
Community, Business and Personal Services						
Agreements without COLA	139	347.8	164	228.6	147	373.2
Agreements with COLA	2	1.1	2	3.4	3	1.7
All Agreements	141	348.9	166	232.0	150	374.9
Public Administration						
Agreements without COLA	46	148.2	47	72.9	62	248.6
Agreements with COLA	2	5.5	-	-	-	-
All Agreements	48	153.7	47	72.9	62	248.6

Table B-2 (continued)

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1998				1999			
	3		4		1		2	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Industries								
Agreements without COLA	92	259.4	95	237.4	99	241.0	89	211.9
Agreements with COLA	9	8.9	6	5.7	4	3.1	14	35.7
All Agreements	101	268.3	101	243.1	103	244.0	103	247.6
Primary Industry								
Agreements without COLA	-	-	1	1.1	-	-	2	1.5
Agreements with COLA	-	-	-	-	-	-	1	1.4
All Agreements	-	-	1	1.1	-	-	3	2.9
Manufacturing								
Agreements without COLA	13	9.4	12	12.4	11	8.2	17	11.5
Agreements with COLA	4	3.0	4	4.5	2	1.5	8	12.3
All Agreements	17	12.4	16	17.0	13	9.7	25	23.7
Construction								
Agreements without COLA	17	35.6	9	10.5	9	29.0	7	6.7
Agreements with COLA	2	1.6	1	0.6	-	-	-	-
All Agreements	19	37.2	10	11.1	9	29.0	7	6.7
Transportation, Communication and Other Utilities								
Agreements without COLA	9	27.5	3	3.5	11	30.4	11	18.6
Agreements with COLA	1	3.0	1	0.5	2	1.6	3	16.2
All Agreements	10	30.5	4	4.1	13	32.0	14	34.8
Trade; Finance, Insurance and Real Estate								
Agreements without COLA	2	7.4	3	6.1	2	1.5	4	4.6
Agreements with COLA	1	0.8	-	-	-	-	1	5.2
All Agreements	3	8.2	3	6.1	2	1.5	5	9.8
Community, Business and Personal Services								
Agreements without COLA	35	120.9	51	89.7	46	104.0	40	132.8
Agreements with COLA	1	0.5	-	-	-	-	-	-
All Agreements	36	121.4	51	89.7	46	104.0	40	132.8
Public Administration								
Agreements without COLA	16	58.7	16	114.0	20	67.9	8	36.3
Agreements with COLA	-	-	-	-	-	-	1	0.7
All Agreements	16	58.7	16	114.0	20	67.9	9	37.0

Table B-3

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, Second Quarter 1999**

	17 Months or Less			18-29 Months		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	4	14.9	4.0	41	73.7	3.0
Agreements with COLA	2	4.7	1.2	-	-	-
All Agreements	6	19.6	3.3	41	73.7	3.0
Primary Industry						
Agreements without COLA	-	-	-	1	1.0	3.0
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	1	1.0	3.0
Manufacturing						
Agreements without COLA	-	-	-	4	2.5	2.2
Agreements with COLA	2	4.7	1.2	-	-	-
All Agreements	2	4.7	1.2	4	2.5	2.2
Construction						
Agreements without COLA	-	-	-	7	6.7	5.3
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	7	6.7	5.3
Transportation, Communication and Other Utilities						
Agreements without COLA	-	-	-	2	1.4	1.8
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	2	1.4	1.8
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	-	-	-	1	1.3	1.0
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	1	1.3	1.0
Community, Business and Personal Services						
Agreements without COLA	1	0.7	0.0	22	42.1	2.8
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	0.7	0.0	22	42.1	2.8
Public Administration						
Agreements without COLA	3	14.3	4.2	4	18.9	3.1
Agreements with COLA	-	-	-	-	-	-
All Agreements	3	14.3	4.2	4	18.9	3.1

Table B-3 (continued)

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, Second Quarter 1999**

	30-41 Months			42 Months or More		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	23	74.1	2.4	21	49.2	1.3
Agreements with COLA	6	10.5	1.7	6	20.5	2.2
All Agreements	29	84.6	2.3	27	69.7	1.6
Primary Industry						
Agreements without COLA	-	-	-	1	0.5	2.2
Agreements with COLA	-	-	-	1	1.4	2.4
All Agreements	-	-	-	2	1.9	2.3
Manufacturing						
Agreements without COLA	3	2.2	2.0	10	6.8	1.7
Agreements with COLA	4	4.7	2.8	2	2.9	3.2
All Agreements	7	6.9	2.5	12	9.7	2.1
Construction						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Transportation, Communication and Other Utilities						
Agreements without COLA	8	16.6	2.7	1	0.6	2.1
Agreements with COLA	-	-	-	3	16.2	2.0
All Agreements	8	16.6	2.7	4	16.8	2.0
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	3	3.3	0.9	-	-	-
Agreements with COLA	1	5.2	0.6	-	-	-
All Agreements	4	8.5	0.7	-	-	-
Community, Business and Personal Services						
Agreements without COLA	8	48.7	2.4	9	41.3	1.2
Agreements with COLA	-	-	-	-	-	-
All Agreements	8	48.7	2.4	9	41.3	1.2
Public Administration						
Agreements without COLA	1	3.2	1.5	-	-	-
Agreements with COLA	1	0.7	2.2	-	-	-
All Agreements	2	3.9	1.6	-	-	-

Table B-4

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, Second Quarter 1999**

	Number of Agreements	Number of Employees	Average Annual Adjustment	First 12 Months	Average Agreement Duration
		(000's)	(%)	(%)	(Months)
All Industries					
Agreements without COLA	89	211.9	2.5	2.2	38.3
Agreements with COLA	14	35.7	1.9	1.7	42.3
All Agreements	103	247.6	2.4	2.1	38.9
Primary Industry					
Agreements without COLA	2	1.5	2.7	3.0	36.6
Agreements with COLA	1	1.4	2.4	1.2	60.0
All Agreements	3	2.9	2.6	2.2	47.9
Manufacturing					
Agreements without COLA	17	11.5	1.8	0.8	53.2
Agreements with COLA	8	12.3	2.3	2.1	29.7
All Agreements	25	23.7	2.1	1.5	41.1
Construction					
Agreements without COLA	7	6.7	5.3	5.3	23.5
Agreements with COLA	-	-	-	-	-
All Agreements	7	6.7	5.3	5.3	23.5
Transportation, Communication and Other Utilities					
Agreements without COLA	11	18.6	2.6	2.8	36.4
Agreements with COLA	3	16.2	2.0	1.9	52.6
All Agreements	14	34.8	2.3	2.4	43.9
Trade; Finance, Insurance and Real Estate					
Agreements without COLA	4	4.6	0.9	0.4	32.7
Agreements with COLA	1	5.2	0.6	0.0	36.0
All Agreements	5	9.8	0.8	0.2	34.5
Community, Business and Personal Services					
Agreements without COLA	40	132.8	2.2	1.6	42.9
Agreements with COLA	-	-	-	-	-
All Agreements	40	132.8	2.2	1.6	42.9
Public Administration					
Agreements without COLA	8	36.3	3.4	4.0	21.5
Agreements with COLA	1	0.7	2.2	2.5	36.0
All Agreements	9	37.0	3.3	3.9	21.8

Table C-1

**Effective Wage Adjustment in Base Rates, by Region/Jurisdiction,
by Year and Quarter**

	1996	1997	1998	1998		1999	
				3	4	1	2
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Sectors							
CANADA	0.9	1.5	1.6	1.4	1.7	1.5	2.4
<i>Atlantic</i>	1.7	1.3	1.9	2.1	1.8	2.6	1.6
Newfoundland	2.0	1.7	1.3	-	-	1.6	1.6
Prince Edward Island	1.7	-	2.1	-	2.1	2.8	2.3
Nova Scotia	1.7	2.0	2.5	1.9	1.8	4.5	-
New Brunswick	1.7	1.0	1.5	2.3	1.7	-	1.6
Quebec	1.7	1.3	0.9	2.0	1.7	1.3	1.3
Ontario	0.9	1.1	1.6	2.0	0.8	1.4	1.4
<i>Prairies</i>	0.7	2.0	2.4	1.8	2.3	3.2	3.1
Manitoba	0.2	1.1	1.4	0.3	1.3	1.5	2.8
Saskatchewan	1.1	0.9	1.8	1.4	2.0	2.6	1.7
Alberta	1.1	2.4	3.0	2.5	2.9	4.3	4.3
British Columbia	0.6	1.4	0.7	0.7	0.9	0.7	0.5
More than One Province	2.3	3.0	1.7	1.7	-	1.8	3.7
Federal	0.5	1.8	2.1	1.8	2.2	2.0	3.1
Public Sector							
CANADA	0.5	1.2	1.6	1.2	1.6	1.3	2.4
<i>Atlantic</i>	1.4	1.4	1.9	1.8	1.8	2.8	1.3
Newfoundland	0.6	2.1	1.3	-	-	1.3	1.3
Prince Edward Island	1.7	-	2.1	-	2.1	2.8	-
Nova Scotia	-	1.8	2.6	1.8	2.0	4.5	-
New Brunswick	1.5	1.3	1.5	1.8	1.5	-	-
Quebec	1.4	1.3	0.8	2.0	0.4	1.9	1.1
Ontario	0.3	0.6	1.3	1.9	0.7	1.2	1.2
<i>Prairies</i>	0.5	1.7	2.2	2.8	2.3	2.4	3.1
Manitoba	0.0	1.0	1.2	-	1.3	1.5	2.8
Saskatchewan	0.9	0.9	1.8	1.9	2.0	2.6	1.9
Alberta	0.8	2.2	2.6	3.2	2.8	2.7	4.2
British Columbia	0.6	0.9	0.7	0.7	0.7	0.7	0.4
More than One Province	-	-	-	-	-	-	-
Federal	0.1	1.6	2.2	2.1	2.2	2.0	3.2
Private Sector							
CANADA	1.7	1.8	1.8	1.7	1.9	2.2	2.4
<i>Atlantic</i>	2.1	1.2	1.8	2.4	1.9	1.8	2.0
Newfoundland	2.6	1.7	1.8	-	-	1.8	2.3
Prince Edward Island	-	-	-	-	-	-	2.3
Nova Scotia	1.7	2.1	1.8	2.0	1.6	-	-
New Brunswick	2.0	0.4	1.6	3.0	2.7	-	1.6
Quebec	2.1	1.3	0.9	2.0	1.9	1.2	1.5
Ontario	2.2	1.9	2.0	2.0	1.9	2.2	1.8
<i>Prairies</i>	2.1	2.5	3.2	-0.6	2.2	6.1	3.3
Manitoba	2.0	1.8	1.6	0.3	1.3	-	2.6
Saskatchewan	2.0	1.1	1.1	0.0	-	-	0.9
Alberta	2.2	2.6	4.6	-6.1	3.2	6.1	4.9
British Columbia	0.9	1.6	1.4	2.0	1.4	2.0	1.2
More than One Province	2.3	3.0	1.7	1.7	-	1.8	3.7
Federal	0.7	2.0	1.7	1.6	1.8	1.9	2.7

Table C-2

**Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter**

	1996		1997		1998	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)	
All Sectors						
CANADA	377	809.8	380	694.5	394	915.5
<i>Atlantic</i>	32	34.2	18	20.9	41	92.8
Newfoundland	9	8.0	5	6.1	7	25.4
Prince Edward Island	6	6.9	-	-	3	3.9
Nova Scotia	8	5.6	2	1.8	17	38.4
New Brunswick	9	13.8	11	13.0	14	25.0
Quebec	57	81.1	39	92.3	52	81.7
Ontario	145	300.6	176	239.3	138	266.4
<i>Prairies</i>	72	114.5	80	146.0	83	134.8
Manitoba	31	53.6	21	27.9	20	22.3
Saskatchewan	17	34.9	7	16.9	12	32.3
Alberta	24	26.0	52	101.1	51	80.3
British Columbia	31	196.4	34	69.3	33	150.7
More than One Province	1	0.6	7	7.7	2	6.0
Federal	39	82.2	26	119.0	45	183.2
Public Sector						
CANADA	213	565.9	220	370.4	218	646.3
<i>Atlantic</i>	11	18.0	8	10.9	28	81.0
Newfoundland	3	2.4	2	1.2	6	22.9
Prince Edward Island	6	6.9	-	-	3	3.9
Nova Scotia	-	-	1	0.6	10	33.0
New Brunswick	2	8.8	5	9.0	9	21.1
Quebec	20	46.0	16	19.8	14	23.6
Ontario	90	197.0	112	138.4	76	166.7
<i>Prairies</i>	56	100.1	55	100.6	62	107.3
Manitoba	25	48.5	18	24.0	11	11.7
Saskatchewan	13	30.4	4	14.5	10	30.5
Alberta	18	21.2	33	62.1	41	65.1
British Columbia	24	176.6	18	25.4	15	133.7
More than One Province	-	-	-	-	-	-
Federal	12	28.2	11	75.4	23	134.1
Private Sector						
CANADA	164	243.9	160	324.1	176	269.2
<i>Atlantic</i>	21	16.2	10	10.1	13	11.8
Newfoundland	6	5.6	3	4.9	1	2.5
Prince Edward Island	-	-	-	-	-	-
Nova Scotia	8	5.6	1	1.2	7	5.4
New Brunswick	7	5.0	6	4.0	5	3.9
Quebec	37	35.1	23	72.6	38	58.1
Ontario	55	103.7	64	100.9	62	99.7
<i>Prairies</i>	16	14.4	25	45.4	21	27.5
Manitoba	6	5.0	3	4.0	9	10.5
Saskatchewan	4	4.5	3	2.4	2	1.8
Alberta	6	4.8	19	39.0	10	15.1
British Columbia	7	19.8	16	43.9	18	17.0
More than One Province	1	0.6	7	7.7	2	6.0
Federal	27	54.1	15	43.6	22	49.1

Table C-2 (continued)

Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter

	1998				1999			
	3		4		1		2	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Sectors								
CANADA	101	268.3	101	243.1	103	244.0	103	247.6
<i>Atlantic</i>	8	7.9	9	10.2	4	2.5	8	10.2
Newfoundland	-	-	-	-	2	1.3	4	7.1
Prince Edward Island	-	-	2	2.5	1	0.6	1	0.7
Nova Scotia	4	3.8	4	3.8	1	0.6	-	-
New Brunswick	4	4.1	3	3.9	-	-	3	2.5
Quebec	9	6.6	13	15.9	11	18.2	4	3.8
Ontario	39	65.5	45	72.6	56	120.1	41	79.9
<i>Prairies</i>	17	17.1	18	27.1	17	20.5	27	86.7
Manitoba	5	3.5	6	10.1	4	4.0	6	23.6
Saskatchewan	4	4.8	1	1.2	5	7.2	7	26.8
Alberta	8	8.9	11	15.8	8	9.3	14	36.2
British Columbia	12	120.4	6	11.9	6	48.7	6	7.3
More than One Province	2	6.0	-	-	1	0.9	2	1.3
Federal	14	44.7	10	105.4	8	33.1	15	58.3
Public Sector								
CANADA	51	185.9	68	205.3	76	190.3	56	188.8
<i>Atlantic</i>	3	4.0	6	8.0	3	1.9	2	5.2
Newfoundland	-	-	-	-	1	0.6	2	5.2
Prince Edward Island	-	-	2	2.5	1	0.6	-	-
Nova Scotia	1	1.5	2	2.2	1	0.6	-	-
New Brunswick	2	2.5	2	3.3	-	-	-	-
Quebec	1	0.7	2	2.2	3	3.9	1	2.0
Ontario	23	32.8	38	64.7	45	100.7	24	57.3
<i>Prairies</i>	10	11.9	12	18.4	15	16.0	15	74.4
Manitoba	-	-	4	5.5	4	4.0	5	22.9
Saskatchewan	3	3.7	1	1.2	5	7.2	3	22.4
Alberta	7	8.2	7	11.7	6	4.8	7	29.0
British Columbia	7	117.4	3	9.2	5	48.2	4	6.2
More than One Province	-	-	-	-	-	-	-	-
Federal	7	19.0	7	102.8	5	19.7	10	43.9
Private Sector								
CANADA	50	82.5	33	37.8	27	53.7	47	58.7
<i>Atlantic</i>	5	3.9	3	2.2	1	0.6	6	5.1
Newfoundland	-	-	-	-	1	0.6	2	1.9
Prince Edward Island	-	-	-	-	-	-	1	0.7
Nova Scotia	3	2.3	2	1.6	-	-	-	-
New Brunswick	2	1.6	1	0.6	-	-	3	2.5
Quebec	8	5.9	11	13.7	8	14.3	3	1.8
Ontario	16	32.7	7	7.9	11	19.4	17	22.6
<i>Prairies</i>	7	5.2	6	8.7	2	4.5	12	12.3
Manitoba	5	3.5	2	4.6	-	-	1	0.7
Saskatchewan	1	1.1	-	-	-	-	4	4.4
Alberta	1	0.7	4	4.1	2	4.5	7	7.2
British Columbia	5	3.0	3	2.8	1	0.6	2	1.2
More than One Province	2	6.0	-	-	1	0.9	2	1.3
Federal	7	25.6	3	2.6	3	13.4	5	14.5

Table D

Major Wage Settlements, by Public and Private Sectors, by Year and Quarter

Year	Public Sector				Private Sector				All Sectors			
	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.
	(Months)	(000's)	(%)	(Months)	(000's)	(%)	(Months)	(000's)	(Months)	(000's)	(%)	(%)
1979	317	24.3	756.0	9.5	252	27.2	387.0	11.1	569	25.3	1,142.9	10.0
1980	325	26.0	919.4	10.9	233	27.5	298.8	11.7	558	26.3	1,218.2	11.1
1981	290	18.9	577.6	13.1	210	27.3	323.4	12.6	500	21.9	901.0	13.0
1982	319	14.6	865.1	10.4	189	25.2	282.2	9.5	508	17.2	1,147.3	10.2
1983	458	19.6	1,241.6	4.6	200	25.0	302.8	5.5	658	20.6	1,544.3	4.8
1984	277	17.0	637.4	3.9	282	26.1	518.8	3.2	559	21.1	1,156.2	3.6
1985	316	21.7	566.8	3.8	200	30.1	271.8	3.3	516	24.5	838.6	3.7
1986	322	25.4	711.2	3.6	231	26.0	410.2	3.0	553	25.6	1,121.5	3.4
1987	270	29.4	824.3	4.1	208	31.4	287.0	3.8	478	29.9	1,111.3	4.0
1988	301	24.0	698.6	4.0	241	27.2	484.1	5.0	542	25.3	1,182.7	4.4
1989	295	30.0	737.6	5.2	158	28.5	264.2	5.2	453	29.6	1,001.8	5.2
1990	283	27.4	677.8	5.6	224	29.7	468.5	5.7	507	28.4	1,146.4	5.6
1991	365	16.0	1,121.7	3.4	182	29.2	224.0	4.4	547	18.2	1,345.6	3.6
1992	302	21.7	977.3	2.0	194	32.2	329.5	2.5	496	24.3	1,306.8	2.1
1993	347	23.4	1,012.0	0.6	171	25.2	400.5	0.8	518	23.9	1,412.5	0.7
1994	299	26.5	719.8	0.0	135	34.5	222.8	1.2	434	28.4	942.6	0.3
1995	216	31.5	630.9	0.6	186	35.8	277.9	1.4	402	32.8	908.8	0.9
1996	213	31.6	565.9	0.5	164	34.9	243.9	1.7	377	32.6	809.8	0.9
1997	220	30.2	370.4	1.2	160	38.0	324.1	1.8	380	33.8	694.5	1.5
1998	218	31.0	646.3	1.6	176	34.3	269.2	1.8	394	32.0	915.5	1.6
1999*	132	35.3	379.1	1.8	74	40.3	112.5	2.3	206	36.4	491.6	1.9

* Year to Date

Quarter

1996	I	51	43.6	120.5	0.2	32	33.4	46.3	1.3	83	40.8	166.8	0.5
	II	75	27.6	287.9	0.6	48	37.5	46.6	1.6	123	29.0	334.5	0.7
	III	48	28.7	81.4	0.5	49	29.0	64.9	1.8	97	28.8	146.3	1.1
	IV	39	30.9	76.2	0.8	35	38.8	86.0	2.0	74	35.1	162.2	1.5
1997	I	52	29.7	88.2	1.0	30	35.8	40.4	2.2	82	31.6	128.6	1.3
	II	72	26.1	98.8	0.8	60	34.5	147.1	1.9	132	31.1	246.0	1.4
	III	34	31.0	44.6	0.9	41	38.2	90.7	1.5	75	35.8	135.2	1.3
	IV	62	33.1	138.8	1.7	29	50.8	45.9	1.8	91	37.5	184.7	1.7
1998	I	45	36.5	97.9	1.8	23	33.6	38.3	2.3	68	35.7	136.1	2.0
	II	54	31.7	157.3	1.7	70	27.9	110.7	1.6	124	30.2	268.0	1.7
	III	51	33.2	185.9	1.2	50	40.9	82.5	1.7	101	35.5	268.3	1.4
	IV	68	25.9	205.3	1.6	33	39.5	37.8	1.9	101	28.0	243.1	1.7
1999	I	76	32.4	190.3	1.3	27	39.0	53.7	2.2	103	33.9	244.0	1.5
	II	56	38.1	188.8	2.4	47	41.4	58.7	2.4	103	38.9	247.6	2.4

Agmts. - Number of Agreements
 Avg. Adj. - Average Annual Adjustment
 Dur. - Average Agreement Duration
 Empls. - Number of Employees

Table E
Selected Economic Indicators,
by Year and Quarter

	1996	1997	1998	1998		1999	
				3	4	1	2
Wage Settlements (%)	0.9	1.5	1.6	1.4	1.7	1.5	2.4
Public Sector (%)	0.5	1.2	1.6	1.2	1.6	1.3	2.4
Private Sector (%)	1.7	1.8	1.8	1.7	1.9	2.2	2.4
Agreements in Force (%)	0.9	1.2	1.6	1.8	1.8	1.6	1.5
Public Sector (%)	0.6	0.9	1.3	1.4	1.4	1.2	1.2
Private Sector (%)	1.4	1.8	2.3	2.5	2.5	2.4	2.1
Consumer Price Index Per Cent Change ¹	1.6	1.6	0.9	0.9	1.1	0.8	1.6
GDP ² at Factor Cost ³ Per Cent Change ¹	1.4	4.0	2.8	1.9	2.4	2.6	3.1
Labour Productivity (%)	0.5	1.9	1.2	0.8	0.2	-0.1	0.5
Unit Labour Cost (%)	0.7	1.8	0.9	0.6	0.7	-0.3	-0.6
Unemployment Rate ³ (%)	9.7	9.2	8.3	8.3	8.0	7.8	8.0
Employment (000's) ³ Per Cent Change ¹	13,676 1.3	13,941 1.9	14,326 2.8	14,336 2.3	14,517 3.2	14,650 3.3	14,642 2.6
Average Weekly Earnings ⁴ Per Cent Change ¹	\$ 586.06 2.1	\$ 598.26 2.1	\$ 606.31 1.3	\$ 605.43 1.3	\$ 607.96 1.2	\$ 606.07 -0.2	\$ 608.77 0.4
Average Hourly Earnings Per Cent Change ¹	\$ 14.71 2.4	\$ 14.87 1.1	\$ 15.12 1.7	\$ 14.96 1.8	\$ 15.20 1.5	\$ 15.39 1.9	\$ 15.24 0.2

¹ Per cent change from the same period of the previous year.

² GDP - Gross domestic product at factor cost (1992) prices.

³ Seasonally adjusted data.

⁴ Average weekly earnings including overtime.

Source: Workplace Information Directorate and Statistics Canada

TECHNICAL NOTES

The information in this report is produced from collective agreement settlements in Canada which cover 500 or more employees in all industries. A few settlements are excluded where the basis of payment is on a piece/mileage rate basis.

The construction industry is excluded prior to 1983.

The Base Rate

The base rate is the lowest paid classification used for qualified workers in the bargaining unit. In most instances, the base rate is the rate of pay for an unskilled or semi-skilled classification of workers. However, this is not the case in contracts covering only skilled workers and professional employees.

As only the base rate in a contract is used, the resulting data on percentage change do not necessarily reflect the average wage change for all workers in the bargaining unit. For example, where an across-the-board increase is negotiated for all classifications in cents per hour (or other money terms), measurement on the base rate produces higher results than measurement on any higher rate, including the average rate. Where varying percentage or money increases are negotiated for different classifications, measurement on the base rate may produce results that are higher or lower than measurement on the average rate. Where an across-the-board increase is negotiated for all classifications in percentage terms, measurement on the base rate produces results identical to measurement on any other rate, including the average rate. It should be noted that information on the average rate for all employees in a bargaining unit is not available.

Effective Wage Increase

The effective wage increase is the increase in rates of pay including estimated cost-of-living allowance (COLA) payments. Estimates of the yield of COLA clauses are obtained by quantifying the characteristics of these clauses in each agreement and applying a combination of actual Consumer Price Index (CPI) increases available to date plus a specified projected inflation rate for the remainder of the contract duration.

In succeeding quarters, these estimates are revised using actual CPI values as they become available.

In the current report, an inflation projection of 2 per cent has been used when the actual rate is unknown. This figure is based on a rounded average of inflation forecasts and is intended for illustrative purposes only and does not constitute an official forecast by Human Resources Development Canada. The use of different inflation rate scenarios could result in varying settlement increases. The inflation projection used will be revised periodically to reflect prevailing economic conditions.

By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

Public and Private Sectors

The principal unit of observation is the collective bargaining unit; however, the designation for inclusion in the public sector is by reference to characteristics of the employer with whom a bargaining unit negotiates. Reference to the employer characteristics makes the directives consistent with Statistics Canada's use of "institutional units" or "entities".

While the criteria relate to the classification of the public sector only, *the private sector is defined by exclusion*.

Public sector bargaining units negotiate wages or other working conditions with an employer who is part of, or an agent of, a government or a government business enterprise. The distinction between the two is whether the activity engaged in is "non-commercial" (Government) or "commercial" (Government Business Enterprise).

Government (Non-Commercial)

The government component comprises all non-commercial entities controlled by governments and mainly financed out of general taxation or other public

funds. These entities provide goods and/or services free or at non-market prices (not having a view to profit).

Sub-sectors of the government component are identified below:

(1) Federal Government

Collective bargaining in the Federal Government component is conducted under the *Public Service Staff Relations Act* (Parts 1 and 2), and the *Parliamentary Employment and Staff Relations Act*.

(2) Provincial and Territorial Governments

- (a) provincial and territorial government administration;
- (b) health, education and social services agencies or institutions
 - (i) public hospitals,
 - (ii) provincial residential care facilities,
 - (iii) universities,
 - (iv) colleges, vocational and trade institutions,
 - (v) social services business enterprise,
 - (vi) provincial elementary and secondary schools.

(3) Local Government Administration

- (a) local government organizations such as: municipalities, boards, commissions;
- (b) school boards;
- (c) social services: establishments at the local level primarily engaged in providing basic domiciliary care only, such as homes for the aged, blind or senile, boarding houses for the aged, day nurseries, shelters, etc.

Government Business Enterprise (Commercial)

The commercial component of the public sector is divided into three broad sub-groupings, based on

degree of governmental control, as follows:

(1) Direct Control

A commercial enterprise is directly controlled by a government if one of the following conditions is met:

- (a) a government holds more than 50 per cent of its voting equity, directly;
- (b) a government has irrevocable options or the right to acquire shares, or convertible debt or equity, exercisable at the discretion of that government.

(2) Effective Control

A commercial enterprise is effectively controlled by a government if one of the following conditions is met:

- (a) the government holds a significant voting ownership in a public enterprise, where "significant" is understood as:
 - (i) the holding is the largest block of voting equity; and
 - (ii) the holding exceeds 33.3 per cent of the voting equity; and
 - (iii) the block is larger than the combined percentage of the next two largest blocks;
- (b) the commercial enterprise declares that it is effectively controlled by a government;
- (c) there exists a method or variety of methods (e.g. significant voting ownership of the enterprise, technological agreements, supply controls or contracts, management contracts, interlocking directorships, etc.)

(3) Indirect Control

A business enterprise is indirectly controlled by a government if that government directly or effectively controls a government business enterprise, which in turn directly or effectively controls that enterprise.

SECTION 2

EXPIRIES AND REOPENERS OF MAJOR COLLECTIVE AGREEMENTS IN OCTOBER, NOVEMBER AND DECEMBER 1999

Note: Reopeners listed may be negotiated for wage provisions¹ and/or other provisions²

The full 1999 Calendar of Major Collective Agreement Expiries and Reopeners is now available on the Workplace Information Directorate Web Site at: <http://labour-travail.hrdc-drhc.gc.ca/doc/wid-dimt/eng/>

Company and Location	Union and Occupation	Number of Employees	Industry
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OCTOBER 1999

NOVA SCOTIA

Government of Nova Scotia, province-wide	Cdn. Union of Public Employees (CLC) (service and maintenance employees, labourers)	1,400	Public Administration
Government of Nova Scotia, province-wide	Nova Scotia Teachers Union (Ind.) (elementary and secondary teachers)	10,000	Services
Sydney Steel Corporation, Sydney	United Steelworkers of America (AFL-CIO/CLC) (plant and maintenance employees)	600	Manufacturing

MORE THAN ONE PROVINCE

Eastern Canada Car Carriers, province-wide, Quebec, Ontario	Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (truck drivers)	1,400	Transportation
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NOVEMBER 1999

QUEBEC

Laval University, Québec	Syndicats des professeurs et professeures de l'Université Laval (Ind.) (professors)	1,350	Services
University of Montréal, Montréal	Cdn. Union of Public Employees (CLC) (office, clerical and technical employees)	1,700	Services

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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ONTARIO

Miracle Food Mart of Canada, Division of A & P Co. of Canada Limited, Southern	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (retail employees)	3,640	Trade
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MORE THAN ONE PROVINCE

Government of Canada, Canada-wide	Assn. of Public Service Financial Administrators (Ind.) (finance employees)	1,990	Public Administration
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DECEMBER 1999

NEWFOUNDLAND

Fishery Products International Limited, Bonavista, Burin, Dildo, Fortune, Harbour Breton, Marystown, Port au Choix and Triton	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance, office and clerical employees)	2,500	Manufacturing
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NOVA SCOTIA

Government of Canada, Halifax	Intl. Brotherhood of Painters and Allied Trades (AFL-CIO/CLC); United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC); Intl. Assn. of Machinists and Aerospace Workers (AFL-CIO/CLC); Sheet Metal Workers Intl. Assn. (AFL-CIO/CLC); Intl. Brotherhood of Electrical Workers (AFL-CIO/CLC); Intl. Assn. of Heat and Frost Insulators and Asbestos Workers (AFL-CIO); Intl. Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (AFL-CIO); United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada (AFL-CIO/CLC) (ship maintenance)	760	Public Administration
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Company and Location	Union and Occupation	Number of Employees	Industry
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NEW BRUNSWICK

Government of New Brunswick, province-wide	Cdn. Union of Public Employees (CLC) (general tradesmen - non-construction and labourers)	2,270	Public Administration
Government of New Brunswick, province-wide	Cdn. Union of Public Employees (CLC) (health service - non-professionals, service and maintenance employees)	775	Public Administration
New Brunswick Power Corporation, province-wide	Intl. Brotherhood of Electrical Workers (AFL-CIO/CLC) (operational employees)	900	Other Utilities
Saint John Shipbuilding Limited, Saint John	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC); United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC); United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada (AFL-CIO/CLC); Intl. Brotherhood of Electrical Workers (AFL-CIO/CLC) (service and maintenance employees)	500	Manufacturing

QUEBEC

Association des entrepreneurs de services d'édifices Québec inc., Montréal	Service Employees Intl. Union (AFL-CIO/CLC) (service and maintenance employees)	2,830	Services
City of Laval, Laval	Cdn. Union of Public Employees (CLC) (inside employees)	630	Public Administration
City of Québec, Québec	Cdn. Union of Public Employees (CLC) (outside employees)	500	Public Administration
City of Québec, Québec	Syndicat des fonctionnaires municipaux de Québec inc. (Ind.) (office and clerical employees)	740	Public Administration
Corporation of Building Maintenance Employers of Quebec, Québec, Chicoutimi and Sherbrooke	Syndicat des travailleurs et travailleuses unis du Québec (Ind.) and Service Employees Intl. Union (AFL-CIO/CLC) (building maintenance)	3,630	Services

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
QUEBEC (continued)			
Security and Investigation Agency of Quebec, province-wide	United Steelworkers of America (AFL-CIO/CLC) (security guards)	4,010	Services
Société immobilière du Québec, Montréal	Cdn. Union of Public Employees (CLC) (office, clerical and technical employees)	580	Public Administration
ONTARIO			
Cadbury Chocolate Canada Inc., Metropolitan Toronto and Georgetown	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (production employees)	630	Manufacturing
City of London, London	Cdn. Union of Public Employees (CLC) (inside employees)	670	Public Administration
City of Ottawa, Ottawa	Cdn. Union of Public Employees (CLC) (inside and outside employees)	1,400	Public Administration
Dufferin-Peel Catholic District School Board, Dufferin and Peel counties	Ontario English Catholic Teachers' Assn. (CLC) (occasional teachers)	790	Services
Government of Ontario, province-wide	Ontario Provincial Police Assn. (Ind.) (police officers)	4,700	Public Administration
Hamilton-Wentworth Police Services Board, Hamilton	Hamilton-Wentworth Police Assn. (Ind.) (police officers)	680	Public Administration
Molson Breweries, Etobicoke	Cdn. Union of Brewery and General Workers, Component 325 (CLC) (plant and maintenance employees)	500	Manufacturing
Niagara Regional Police Service Board, Niagara Region	Niagara Region Police Assn. (Ind.) (police officers)	570	Public Administration
Ontario Housing Corporation and all housing authorities, province-wide	Cdn. Union of Public Employees (CLC) (administrative services, service and maintenance employees)	930	Public Administration

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Ottawa-Carleton Regional Police Services Board, Ottawa, Gloucester and Nepean	Ottawa-Carleton Regional Police Assn. (Ind.) (police officers)	970	Public Administration
Regional Municipality of Peel Police Services Board, Brampton	Peel Regional Police Assn. (Ind.) (police officers)	1,050	Public Administration
Regional Municipality of York Police Services Board, Newmarket	Regional Municipality of York Police Assn. (Ind.) (police officers)	740	Public Administration
Simcoe County District School Board, Midhurst and area	Ontario Public Service Employees Union (CLC) (educational services)	620	Services
Union Gas Limited, Southwestern	Communications, Energy and Paperworkers Union of Canada (CLC) (service and maintenance employees utility workers)	970	Other Utilities
MANITOBA			
City of Winnipeg, Winnipeg	Cdn. Union of Public Employees (CLC) (inside and outside employees)	5,500	Public Administration
City of Winnipeg, Winnipeg	Intl. Assn. of Fire Fighters (AFL-CIO/CLC) (firefighters)	880	Public Administration
Hudson Bay Mining and Smelting Co., Ltd., Flin Flon	United Steelworkers of America (AFL-CIO/CLC) (mine employees)	750	Primary Industries
SASKATCHEWAN			
Government of Saskatchewan, province-wide	Saskatchewan Teachers' Federation (Ind.) (elementary and secondary teachers)	12,000	Services

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ALBERTA			
Calgary Laboratory Services (CLS), Calgary	Health Sciences Assn. of Alberta (Ind.) (health service - non-professionals)	900	Services
Canadian Western Natural Gas Company Limited, Calgary	Natural Gas Employees Welfare Assn. (Ind.) (plant and maintenance employees)	510	Other Utilities
City of Calgary, Calgary	Amalgamated Transit Union (AFL-CIO/CLC) (bus drivers, office and clerical, service and maintenance employees)	1,600	Transportation
City of Calgary, Calgary	Calgary Police Assn. (Ind.) (police officers)	1,130	Public Administration
City of Calgary, Calgary	Cdn. Union of Public Employees (CLC) (inside and technical employees, scientific and other professionals)	2,610	Public Administration
City of Edmonton, Edmonton	Amalgamated Transit Union (AFL-CIO/CLC) (bus drivers, service and maintenance employees and transit supervisors)	1,400	Transportation
City of Edmonton, Edmonton	Cdn. Union of Public Employees (CLC) (outside employees)	1,580	Public Administration
City of Edmonton, Edmonton	Civic Service Union No. 52 (Ind.) (inside employees)	2,280	Public Administration
City of Edmonton, Edmonton	Intl. Assn. of Fire Fighters (AFL-CIO/CLC) (firefighters)	900	Public Administration
Northwestern Utilities Limited, Edmonton	Natural Gas Employees Benefit Assn. (Ind.) (plant and maintenance employees)	560	Other Utilities
BRITISH COLUMBIA			
Board of School Trustees of School District No. 61, Victoria	Cdn. Union of Public Employees (CLC) (office, clerical and technical employees)	680	Services

Company and Location	Union and Occupation	Number of Employees	Industry
BRITISH COLUMBIA (continued)			
City of Burnaby, Burnaby	Cdn. Union of Public Employees (CLC) (inside employees)	1,500	Public Administration
City of Coquitlam, Coquitlam	Cdn. Union of Public Employees (CLC) (inside and outside employees)	730	Public Administration
City of New Westminster, New Westminster	Cdn. Union of Public Employees (CLC) (inside and outside employees)	640	Public Administration
City of Richmond, Richmond	Cdn. Union of Public Employees (CLC) (inside employees)	830	Public Administration
City of Surrey, Surrey	Cdn. Union of Public Employees (CLC) (inside and outside employees)	1,200	Public Administration
City of Vancouver, Vancouver	Cdn. Union of Public Employees (CLC) (inside employees)	2,300	Public Administration
City of Vancouver, Vancouver	Cdn. Union of Public Employees (CLC) (outside employees)	1,100	Public Administration
City of Vancouver, Vancouver	Intl. Assn. of Fire Fighters (AFL-CIO/CLC) (firefighters)	800	Public Administration
Corporation of Delta, Delta	Cdn. Union of Public Employees (CLC) (inside and outside employees)	640	Public Administration
Vancouver Police Board, Vancouver	British Columbia Federation of Police Officers (Ind.) (police officers)	1,100	Public Administration
Vancouver Public Library Board, Vancouver	Cdn. Union of Public Employees (CLC) (librarians, office and clerical employees)	700	Services

YUKON

Government of the Yukon Territory, Whitehorse	Public Service Alliance of Canada (CLC) (all categories)	2,340	Public Administration
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Company and Location	Union and Occupation	Number of Employees	Industry
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MORE THAN ONE PROVINCE

Atomic Energy of Canada Limited, Mississauga, Ont. and Montréal, Que.	Society of Professors Engineers and Associates-AECL, CANDU (Ind.) (engineers, scientific and other professionals, librarians)	550	Services
Bell Canada, province-wide, Que. and Ont.	Cdn. Telephone Employees Assn. (Ind.) (sales personnel)	2,300	Communications
Laurentian Bank of Canada and Laurentian Trust of Canada, Montréal and Hull, Que. and Ottawa, Ont.	Office and Professional Employees Intl. Union (AFL-CIO/CLC) (administrative services employees)	1,590	Finance
Purolator Courier Limited, Canada-wide	Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (couriers, service and maintenance employees)	7,000	Services

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SELECTED PROVISIONS IN MAJOR COLLECTIVE AGREEMENTS*

Long-Term Collective Agreements and Reopener Clauses

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Introduction

A modest trend toward longer-term collective agreements became apparent in 1990 and intensified in 1993, with the agreements ratified in the pulp and paper sector. Also, according to statistics gathered by the Workplace Information Directorate, 1993 represents a peak in terms of the length of long-term agreements. Although the data for 1999 are not complete, it appears that the proportion of long-term agreements is continuing to increase.

To what can we attribute this development? The term of a collective agreement is negotiated along with other working conditions. The parties therefore have the choice of agreeing on a short-term or a long-term agreement. One may then ask what advantage the parties gain from signing a long-term agreement rather than a short-term agreement.

First of all, a long-term agreement guarantees labour peace. This appears to be a significant advantage in two types of situations, which at first glance appear to be completely different. The first occurs when the parties agree on the need for a major restructuring of a company experiencing slow or no growth. It usually includes commitments to the union such as maintaining a minimum number of jobs for the term of the agreement, and money for training and research and development. The second situation is associated with a stable economic environment characterized by low inflation, combined with a costly bargaining process. These long-term agreements often include monetary clauses that provide for larger increases than justified by economic conditions.

Regardless of the initial conditions in which the long-term agreement is negotiated, and although each party derives a certain benefit from it, there remains an element of risk. For the employer, there is the risk of being faced with an unfavourable economic climate while being bound by long-term economic commitments. For the union, there is the risk that the employer will not honour its spending commitments or the risk of being unable to take advantage of a favourable economic climate.

Finally, although both parties must agree to ratify the collective agreement, it appears that it is usually the employer who wants a long-term agreement. The attitude of the unions, on the other hand, seems to be more ambivalent, insofar as renouncing the right to strike over a long period of time is perceived as weakening their bargaining power. Nonetheless, a long-term agreement may facilitate the implementation of new cooperation and consultation processes.

In view of the interest generated by this issue, the Workplace Information Directorate decided to examine this trend, using its database on collective agreements covering 500 workers or more for all of Canada. Our goal was to determine the magnitude of this trend, whether it was increasing, whether it varied from province to province, between the public and private sectors, by industry as well as by union affiliation. At the same time, we also examined reopener clauses that sometimes accompany this type of collective agreement and verified whether these clauses differed from the reopener clauses found in collective

* Major collective agreements are those covering 500 or more employees. At present, this sample includes 1,040 agreements affecting 2,436,480 employees.

agreements of 36 months or less. The status of legislation in Canada concerning the maximum term of collective agreements and reopeners served as a backdrop for the study.

Findings indicate a trend relating to the lengthening of the average term of collective agreements over the past decade. This trend is much more pronounced in the private sector and in the manufacturing industry, particularly in the pulp and paper subsector. Furthermore, it varies from province to province and is predominantly associated with four unions. In the final analysis, reopener clauses remain a marginal phenomenon and there appear to be few major differences between those found in agreements of more than 36 months and those found in agreements of 36 months or less.

Methodology

This research was conducted on a data base of 4,250 collective agreements covering 500 workers or more that **were ratified between January 1990 and June 1999** across Canada. It is important to point out that the number of collective agreements ratified during the period is higher than the number of bargaining units since a group of employees may have ratified more than one agreement during the selected time frame.

A long-term collective agreement was defined as an agreement with a term of more than 36 months. To determine the term of an agreement, we used the date on which it came into effect, which is not necessarily the day following the end of the previous agreement. However, in most cases, this date is retroactive to the day following the end of the previous agreement.¹ In a few cases, a bargaining unit may have ratified more than one long-term collective agreement if, on the reopening of bargaining, the expiry date of the collective agreement was extended.²

Reopener clauses were defined as any type of mechanism that provides for a monetary or non-monetary revision of a collective agreement. In this field of research, we also examined the reopener clauses for collective agreements with a term of 36 months or less that provide for wage adjustments and that are often linked to factors external to the bargaining unit.³

Finally, no significant differences were found in the analysis by size of the bargaining unit.⁴ This may be attributable to the nature of our data base, which was composed of units of 500 workers or more. Hence, we will not discuss this part of the analysis.

Status of Legislation in the Various Jurisdictions

In this part of the analysis, we reviewed the legislative context governing the term of collective agreements and the reopening of bargaining. Only the province of Saskatchewan has a provision concerning the maximum term of collective agreements: *The Trade Union Act*, which applies to both the public and private sectors, stipulates that even if the term of an agreement is more than three years, its expiry date, for the purposes of giving the other party notice to negotiate a new agreement, remains three years from the time the agreement comes into effect. However, in 1997, a special act exempted from this provision a five-year agreement signed by IPSCO Inc. and the United Steelworkers of America, Local 5890.

In Quebec, following the passage of Bill 116 on May 19, 1994, an amendment to the Quebec *Labour Code* allowed the signing of collective agreements of more than three years. However, the term of a first-time collective agreement must not exceed three years. In the case of long-term collective agreements, the Quebec *Labour Code* also provides for new periods during which the right to change union allegiance can

¹ In 520 cases (12.2 per cent), the effective date is later than the day following the end of the previous collective agreement.

² For example, at the Goodyear plant in Valleyfield, the "social contract" ratified in 1993, which was scheduled to expire in 2002, was extended twice following the reopening of bargaining on wages in 1996 and 1999, and now expires in 2007.

³ Trailer clauses, revision clauses, etc., which generally provide for a wage adjustment based on predetermined variables.

⁴ The average number of workers in a bargaining unit being 2,340.

be exercised. Section 22, paragraph (e) of the *Code* stipulates that certification may be applied for "from the one hundred and eightieth to the one hundred and fiftieth day prior to the date of expiration of a collective agreement or its renewal where the term of the collective agreement is more than three years and, where such term so allows, during the period extending from the one hundred and eightieth to the one hundred and fiftieth day prior to the sixth anniversary of the signing of the collective agreement or its renewal and every other anniversary thereafter, except where such a period would end within 12 months or less of the one hundred and eightieth day prior to the date of expiration of the collective agreement or its renewal." In the other provinces, there are no restrictions on the maximum term of agreements, in either the public or the private sector.

In total, five provinces have legislation containing a provision concerning the reopening of collective agreements, namely Newfoundland, Prince Edward Island, New Brunswick, Nova Scotia and Quebec. For example, section 107 of the Quebec *Labour Code* stipulates that "it is forbidden to strike during the period of a collective agreement, unless the agreement contains a clause permitting the revision thereof by the parties and the conditions prescribed in section 106 (the conditions precedent to a legal strike) have been observed." The conditions precedent to a strike require that the association of employees be certified (section 106), that 90 days have passed since receipt of the notice from the other party (section 58) and that the party which declares the strike or the lock-out notify the Minister in writing within 48 hours following declaration of the strike or lock-out, and indicate the number of employees comprised in the bargaining unit concerned (section 58.1). There is also a similar provision in the federal legislation.

For its part, the Prince Edward Island *Labour Act* states that no strike may be declared as long as a collective agreement is in operation, unless the agreement contains a reopener clause for the renegotiation of wages. According to the Nova Scotia *Trade Union Act* as well as the Newfoundland *Labour Relations Act*, a strike is prohibited where an agreement is in operation, unless the dispute relates to a provision of the agreement that is subject to revision during the term of the agreement. Finally, the

New Brunswick *Industrial Relations Act* states that a strike is prohibited where an agreement is in operation, except during revision of a clause of the agreement.

There has been a provision in the *Canada Labour Code* since 1972 which permits the reopening of collective agreements when a major technological change occurs in a business, as well as a strike or lock-out when the parties cannot come to an agreement on this matter. British Columbia, Manitoba and Saskatchewan also have a similar provision in their respective labour codes.

Predominance of the Private Sector

Our first finding is that the majority of the collective agreements with terms of more than 36 months are in the private sector (see Chart A). Indeed, while the proportion of private sector agreements included in our data base is 39.1 per cent, 64.2 per cent of the agreements of more than 36 months were in the private sector. Furthermore, on the basis of number of employees covered (9,936,450), we note that for all agreements, 28.9 per cent are in the private sector. By comparison, in the case of long-term agreements, this proportion is 53.1 per cent.

In addition, for the period studied, the average term of collective agreements is longer in the private sector than in the public sector.⁵ In fact, if we consider all 4,250 collective agreements covering 500 workers or more ratified during the period, the average term of agreements in the private sector (33.4 months) is more than 9.1 months longer than the average term in the public sector (24.3 months).⁵ This trend is confirmed even for the 390 collective agreements⁶ of more than 36 months, for which the average term in the private sector (56.8 months) is seven months longer than in the public sector (49.8 months).

An Accelerating Trend

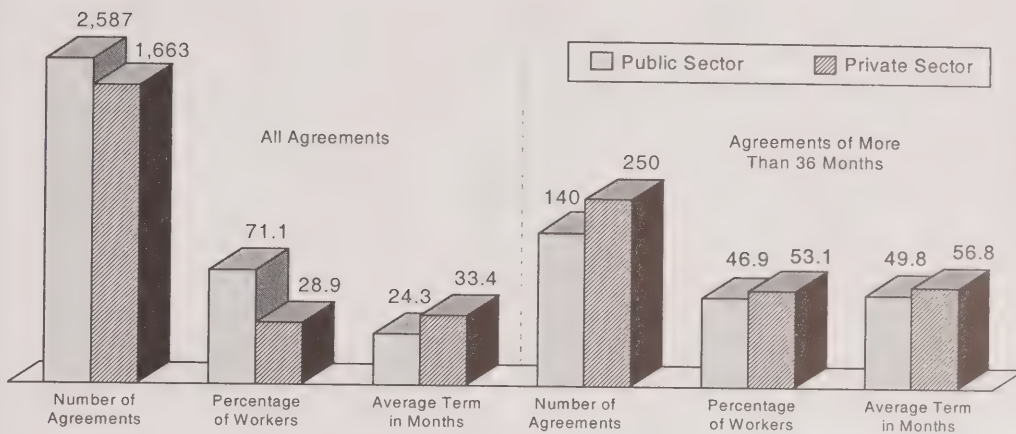
One of the interesting findings of this analysis is the increase in the number of long-term collective agreements compared to the number of collective agreements ratified during a year. For instance, prior to 1993, the proportion of long-term agreements was from 1 per cent to 2 per cent of the agreements ratified during a year. However, this proportion increased to

⁵ It should be kept in mind that legislated working conditions in the public sector during the first half of the decade could have a downward impact on the term of collective agreements in that sector.

⁶ These 390 long-term collective agreements account for 9.2 per cent of all the agreements ratified during the period.

Chart A

Total Number of Collective Agreements and Collective Agreements of More Than 36 Months, by Public and Private Sectors, 1990 to June 1999



Source: Workplace Information Directorate

5.8 per cent in 1993, rising to 22.1 per cent for the first six months of 1999 (see Chart B).

This trend is confirmed by the average term of agreements, which has increased by 8.6 months since 1990, from 25.5 months to 34.1 months for the first six months of 1999 (see Chart C). Indeed, we note that the average term of long-term collective agreements also increased, from 44.6 months in 1990 to 59.9 months for the first six months of 1999. In addition, an examination of Chart C, particularly for 1993 and 1994, demonstrates that the private sector has had a major influence on the term of long-term agreements.

The Trend is More Significant in Certain Provinces

The number of collective agreements covering 500 workers or more ratified from 1990 to June 1999 varies significantly by region or jurisdiction.⁷ For instance,

during the period, Ontario accounted for 1,584 of the agreements ratified; the Prairie Provinces 760; Quebec 710; British Columbia 444 and the Atlantic Provinces 353 (see Chart D and Table 1).

An examination of the percentage of long-term agreements by region or jurisdiction compared to the relative size of a region or jurisdiction for all the agreements ratified reveals that the trend is much more pronounced in certain regions or jurisdictions. Indeed, while Ontario accounts for 37.4 per cent of the agreements ratified during the period,⁸ the proportion of long-term agreements in that province is only 5.6 per cent (see Chart E). Conversely, while New Brunswick and Nova Scotia account for only 2.9 per cent and 2.5 per cent of all agreements respectively, their proportion of long-term agreements is 23 per cent and 19 per cent.

In this regard, if we consider the situation in Quebec, Ontario and Alberta,⁹ we note that the higher the

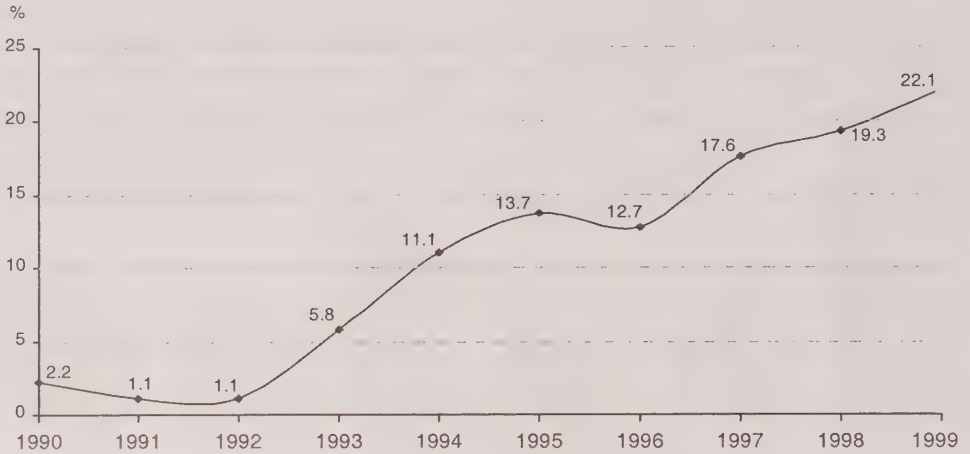
⁷ Namely, 4,235 in total, not counting the seven in the Yukon and the eight in the Northwest Territories.

⁸ The Prairie Provinces account for 17.9 per cent; Quebec 16.8 per cent; British Columbia 10.5 per cent; and the Atlantic Provinces 8.3 per cent.

⁹ These three provinces account for 64.3 per cent of the agreements ratified during the period.

Chart B

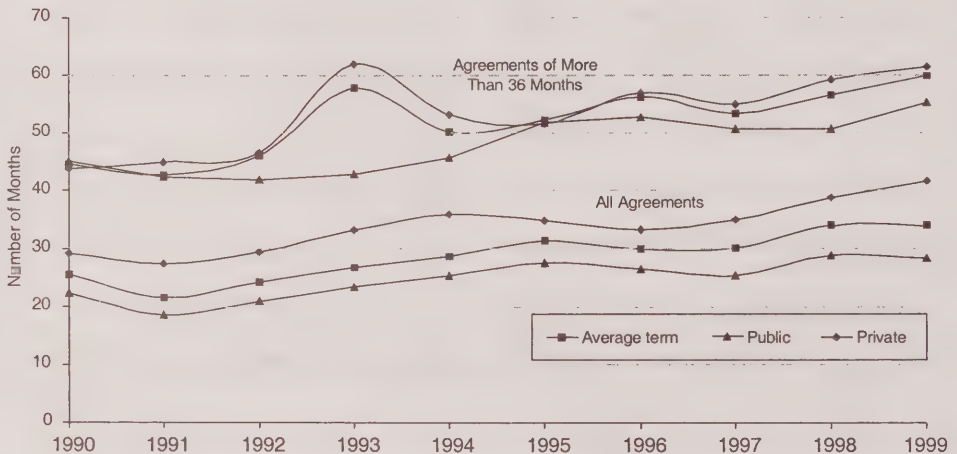
Collective Agreements of More Than 36 Months as a Percentage of All Collective Agreements, 1990 to June 1999



Source: Workplace Information Directorate

Chart C

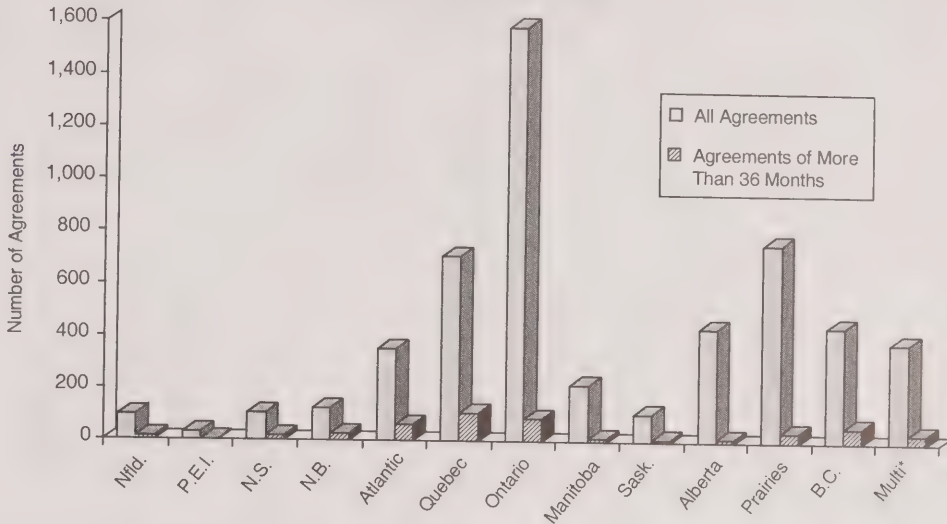
Average Term in Months of Collective Agreements of More Than 36 Months and of All Collective Agreements, by Public and Private Sectors, 1990 to June 1999



Source: Workplace Information Directorate

Chart D

**Breakdown of Collective Agreements by Region/Jurisdiction,
1990 to June 1999**



* Agreements (generally in the federal jurisdiction) covering workers in more than one province (eg. CN, CP, etc.).

Source: Workplace Information Directorate

Table 1

**Breakdown of Collective Agreements by Region/Jurisdiction,
1990 to June 1999**

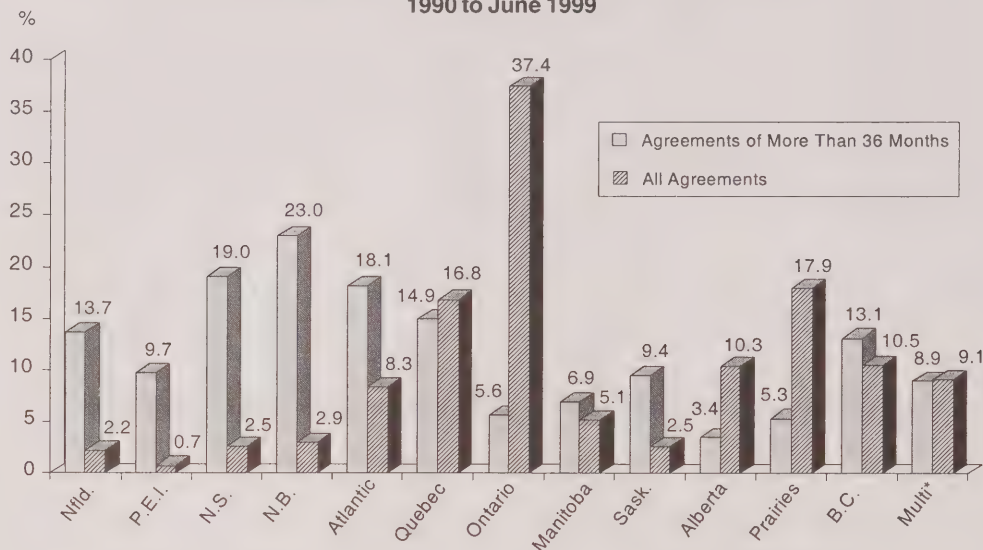
Region/Jurisdiction	Number of Agreements		
	Total	Of More Than 36 Months	
		(n)	(%)
Newfoundland	95	13	13.7
Prince Edward Island	31	3	9.7
Nova Scotia	105	20	19.0
New Brunswick	122	28	23.0
Atlantic Provinces	353	64	18.1
Quebec	710	106	14.9
Ontario	1,584	88	5.6
Manitoba	216	15	6.9
Saskatchewan	106	10	9.4
Alberta	438	15	3.4
Prairie Provinces	760	40	5.3
British Columbia	444	58	13.1
More Than One Province*	384	34	8.9

* Agreements (generally in the federal jurisdiction) covering workers in more than one province (eg. CN, CP, etc.).

Source: Workplace Information Directorate

Chart E

**Collective Agreements of More Than 36 Months
Ratified by Region/Jurisdiction, and Respective Percentage of
All Collective Agreements Ratified
1990 to June 1999**



* Agreements (generally in the federal jurisdiction) covering workers in more than one province (eg. CN, CP, etc.).

Source: Workplace Information Directorate

number of agreements ratified, the lower the proportion of long-term agreements. This finding, less obvious for Quebec, may be attributable to the fact that long-term agreements are a relatively recent development and they are gradually becoming more common, while the number of agreements ratified in these provinces was already high.

However, if we consider only the 390 long-term agreements ratified during the period, we find that Quebec has the highest number, with 106 agreements of this type (27.2 per cent of the total), followed by Ontario with 88 agreements (22.6 per cent), the Atlantic Provinces with 64 agreements (16.4 per cent), British Columbia with 58 agreements (14.9 per cent), and the Prairie Provinces with 40 agreements (10.3 per cent).

An examination of the terms of the agreements ratified during the period reveals that they are longest in Saskatchewan and British Columbia, where the average term is 33.7 and 31.3 months respectively (see Chart F). Conversely, the terms are shortest in Alberta, Prince Edward Island and Newfoundland,

where the average term of agreements ratified during the period is 23.2 months, 23.4 months and 24.2 months respectively.

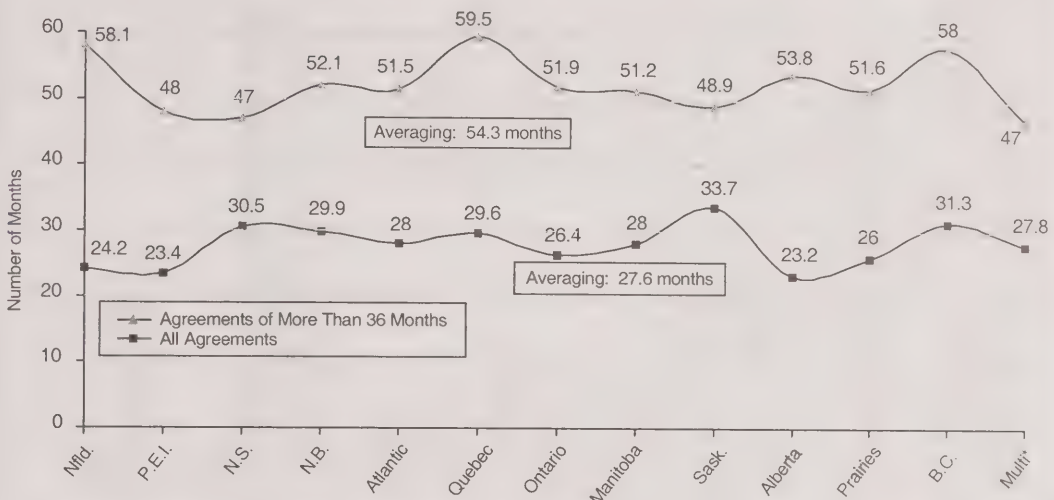
Finally, if we consider the average terms of long-term agreements, we find that they are longest in Quebec, Newfoundland and British Columbia, with terms of 59.5, 58.1 and 58 months respectively. Conversely, terms are shortest for agreements ratified in Nova Scotia and for agreements affecting more than one province, with a term of 47 months.

The Trend is Concentrated in the Manufacturing Sector

The number of collective agreements ratified from 1990 to June 1999 also varies considerably by industry. For instance, the Manufacturing sector, which accounts for only 17.6 per cent of the agreements ratified during the period, nonetheless represents 35.1 per cent (137) of the long-term agreements (see Chart G, Table 2 and Chart H). On the other hand, in the Services sector, which represents 41.2 per cent of the agreements ratified during the period, the proportion of long-term agreements is only 4.4 per cent.

Chart F

Average Term in Months of Collective Agreements of More Than 36 Months and of All Collective Agreements, by Region/Jurisdiction, 1990 to June 1999



* Agreements (generally in the federal jurisdiction) covering workers in more than one province (eg. CN, CP, etc.).

Source: Workplace Information Directorate

If we consider all the collective agreements ratified during the period, the shortest terms are also in the Services and Public Administration sectors, with averages of 23.6 and 24.9 months respectively. By comparison, the terms are longest in the Manufacturing sector, with an average of 36.2 months.

In the latter case, a somewhat closer analysis reveals that the pulp and paper subsector accounts for 40.9 per cent (56) of long-term collective agreements. In fact, these are the results of the last three rounds of bargaining in this subsector, i.e., 1993 with reopening in 1996 and 1998 with expiry in 2004. With an average term of 66.6 months for long-term agreements, the pulp and paper subsector would partially explain the marked lengthening in 1993 of the term of long-term collective agreements.

The average term of long-term agreements is longest in the Manufacturing sector (61.3 months), 8.8 months longer than in the Commerce and Finance sector, which ranks second, with an average term of 52.5 months (see Chart I). In this regard, it is important to point out that Manufacturing is the only industry sector where the average term is higher than the average of 54.3 months for all long-term agreements. This demonstrates the significant impact of this sector in the calculation of the average term for all sectors.

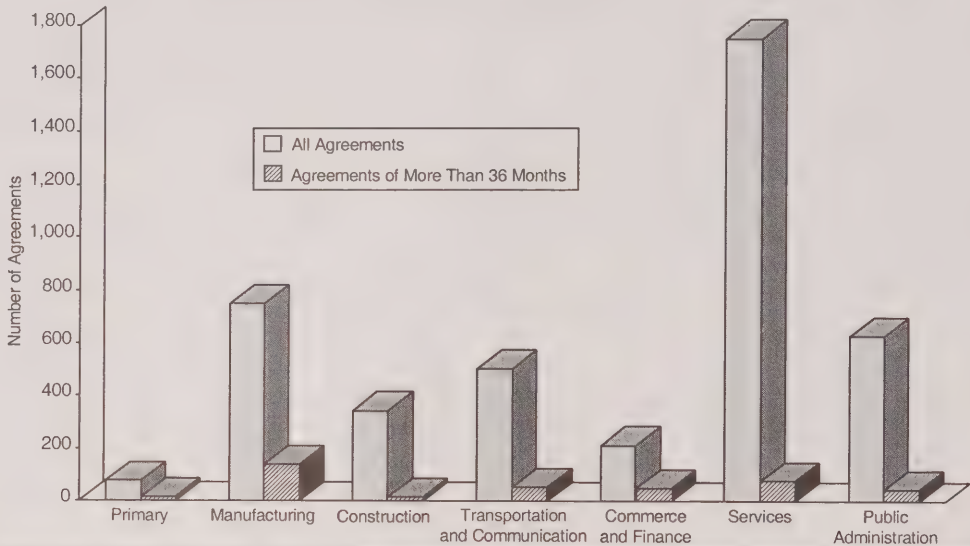
By Union Affiliation – Importance of the Sector

An analysis by union affiliation reveals that the Communications, Energy and Paperworkers Union of Canada ratified the largest number of long-term collective agreements, namely 50 (average term of 67 months), 25 of which contained a reopener. This finding confirms the importance of the pulp and paper subsector in the trend toward long-term agreements. The United Steelworkers of America ranked second, with 45 long-term agreements (average term of 51 months), two of which included a reopener. Seven of these agreements were in food stores, six in security and investigation agencies, and another six in the metallurgy subsector.

Tied for third place are the Canadian Union of Public Employees and the United Food and Commercial Workers International Union each with 42 long-term collective agreements (average term of 49 and 55 months respectively), of which eight and two respectively contained a bargaining reopening provision. In the case of Canadian Union of Public Employees, eight long-term agreements are in municipalities, seven in colleges and universities, and six in elementary and high schools. United Food and Commercial Workers International Union has

Chart G

**Breakdown of Collective Agreements by Industry Sector,
1990 to June 1999**



Source: Workplace Information Directorate

Table 2

**Breakdown of Collective Agreements by Industry Sector,
1990 to June 1999**

Industry Sector	Number of Agreements		
	Total	Of More Than 36 Months	
		(n)	(%)
Primary	78	14	17.9
Manufacturing	746	137	18.4
Construction	341	16	4.7
Transportation and Communication	501	52	10.4
Commerce and Finance	210	50	23.8
Services	1,749	77	4.4
Public Administration	625	44	7.0

Source: Workplace Information Directorate

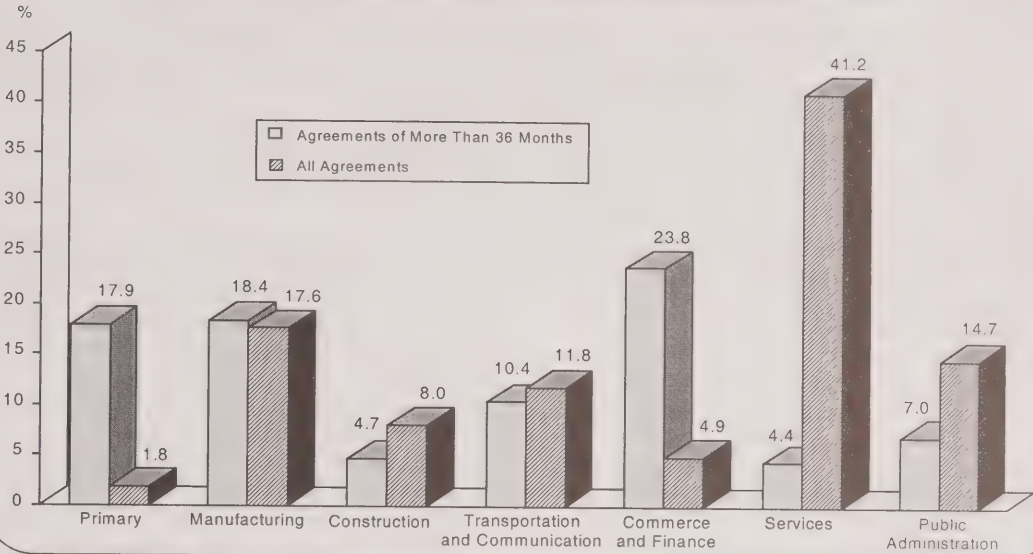
26 long-term agreements in supermarkets and another seven in the meat and poultry industry.

The four unions named above account for 179 (46 per cent) of long-term collective agreements. Thereafter, the distribution of the number of long-term agreements is much more scattered: International Brotherhood of Teamsters, 15; National automobile, Aerospace,

Transportation and General Workers Union of Canada, 12; Fédération de la métallurgie (CNTU), 10 (including 3 with reopeners); Fédération des travailleurs et des travailleuses du papier et de la forêt (CNTU), 7 (including 4 with reopeners), International Association of Machinists and Aerospace Workers and International Brotherhood of Electrical Workers, 6 each; etc.

Chart H

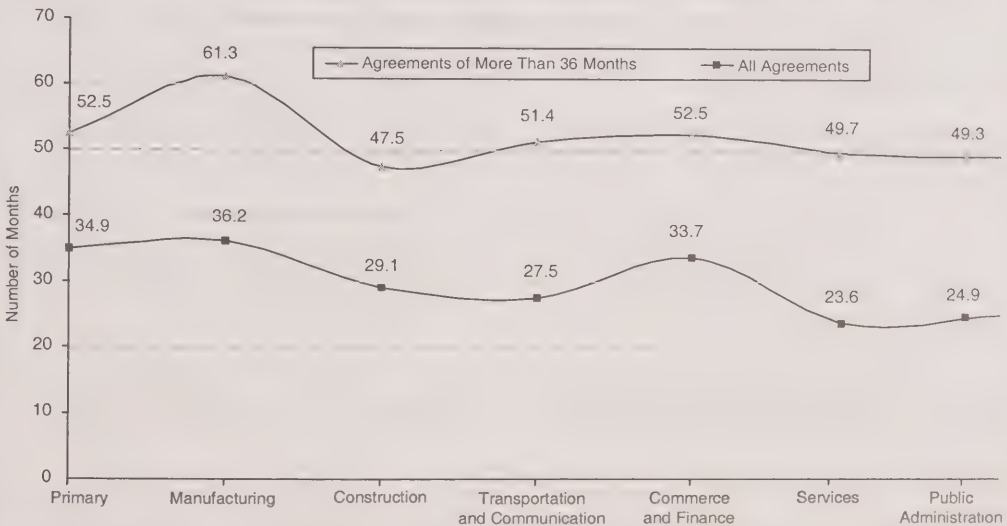
Percentage of Collective Agreements of More Than 36 Months
and All Collective Agreements, by Industry Sector, 1990 to June 1999



Source: Workplace Information Directorate

Chart I

Average Term in Months of Collective Agreements of More Than 36 Months
and All Collective Agreements by Industry Sector, 1990 to June 1999



Source: Workplace Information Directorate

Collective Agreements of More Than 36 Months with Reopeners

An examination of Chart J shows that long-term collective agreements with a bargaining reopener provision can be divided into two distinct periods. During the first period, 1990-1992, there were few long-term agreements and virtually no reopener clauses.¹⁰ In the second period, 1993-1998, the number of agreements peaked in 1993 and levelled off thereafter. We note that all the agreements with reopeners ratified in 1993 were in the pulp and paper subsector. In addition, in 1994, six of the ten agreements with reopeners were also in this subsector. In fact, for the entire period, the pulp and paper subsector accounted for 46.5 per cent of the 58 agreements with reopeners.

Chart J also shows that the majority of collective agreements with terms of more than 36 months do not contain a reopener clause. Table 3 clearly illustrates the breakdown of collective agreements of more than 36 months between the public and private sectors. Since 1990, 250 of the agreements of more than 36 months (average term of 56.9 months) have been in the private sector. By comparison, only 140 (average term of 49.8 months) have been in the public sector.

Of the 58 agreements with terms of more than 36 months with reopeners, 77.6 per cent are in the private sector and include 47 per cent of the workers covered by these agreements. The average term of collective agreements of more than 36 months with reopeners is 65.3 months for the private sector and 55.0 months for the public sector.

When the figures are broken down by province, Quebec leads with 67.2 per cent of collective agreements of more than 36 months with reopeners (see Table 4). On the other hand, Quebec accounts for only 27.2 per cent of all agreements of more than 36 months. Ontario and New Brunswick, for their part, account for 13.8 per cent and 5.2 per cent respectively. The other provinces account for less than 3.4 per cent. It is interesting to note that in the Prairie Provinces, where there is little pulp and paper industry, there are no collective agreements of more than 36 months with reopeners.¹¹

More than two-thirds (69 per cent) of collective agreements of more than 36 months with reopener are in the Manufacturing sector and, as we mentioned earlier, mainly, but not exclusively, in the pulp and paper subsector (see Table 5). Next in order of importance are the Transportation and Communication sector (10.3 per cent), the Public Administration sector (8.6 per cent) and the Commerce and Finance sector (6.9 per cent).

Types of Reopener Clauses for Agreements of More Than 36 Months

Following an analysis of collective agreements of more than 36 months with reopeners, it is possible to identify the various mechanisms used when the parties cannot agree during the renegotiation of monetary clauses. In the majority of cases, the parties must comply with the provisions of the *Labour Code*. For example, one-third of the agreements with reopeners have no provision concerning a dispute-settlement mechanism. It is therefore implied that the parties will abide by the *Labour Code* (i.e., a strike is allowed). Only the collective agreement signed by Scott Paper Limited and the Communications, Energy and Paperworkers Union of Canada stipulates that there will be no work stoppage following expiry or non-renewal of the current agreement while bargaining is underway.

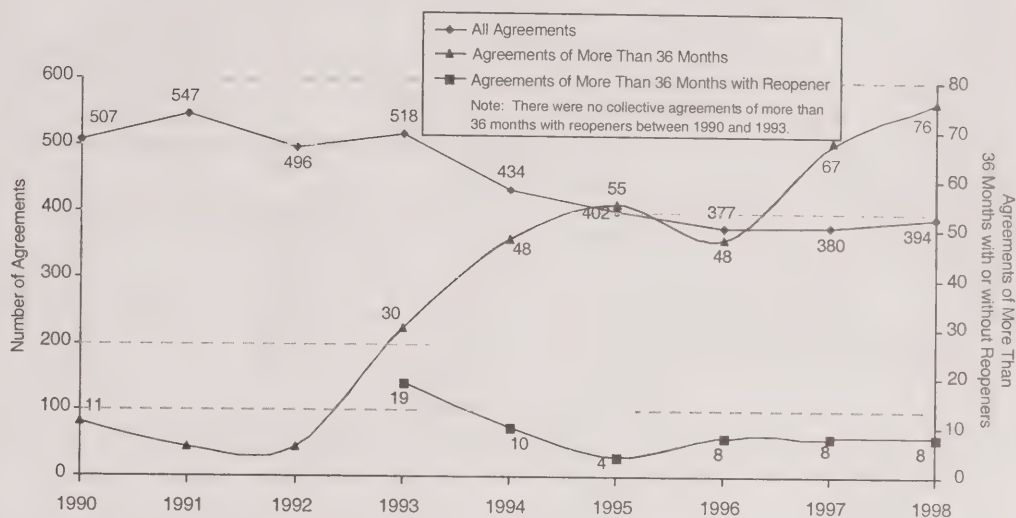
Some 17.2 per cent of agreements of more than 36 months with reopeners use arbitration as a means of settling any dispute. An equivalent percentage of agreements rely on external mechanisms to set wages, such as a wage adjustment based on the percentage negotiated by the model for eastern Canada (pulp and paper subsector), the Consumer Price Index or a market survey. Another example of an external mechanism is the determination of a wage policy applicable to an entire sector (the public service for the year in question or the payroll indexing parameters used by the Quebec Department of Education for the indexing of the payroll component of annual grants to universities). The collective agreement between Culinar Inc. and the Bakery, Confectionery and Tobacco Workers International Union calls for a rate of adjustment based on Statistics Canada's average annual percentage change in the Consumer Price Index for a given year over the previous year, with a

¹⁰ The only case being that of the Syndicat des agents de la paix en services correctionnels du Québec, which ratified in 1990 an agreement providing for reopening of bargaining in 1992 (trailer clause).

¹¹ We note that Saskatchewan and Alberta each have one collective agreement of more than 36 months in the pulp and paper subsector.

Chart J

Collective Agreements of More than 36 Months and All Collective Agreements with or without Reopeners, 1990-1998*



* From January through June 1999, there were 43 agreements of more than 36 months without reopeners out of 195 agreements ratified.

Source: Workplace Information Directorate

Table 3

Agreements of More Than 36 Months with Reopeners by Public and Private Sectors, 1993-1998

	Agreements of More Than 36 Months with Reopeners (n)	Agreements Public/Private (%)	Average Term (months)	Employees (n)	Employees Public/Private (%)	Agreements of More Than 36 Months (n)	Agreements of More Than 36 Months Public/Private (%)	Average Term (months)
Public	13	22.4	55.0	41,285	53.0	140	35.9	49.8
Private	45	77.6	65.3	36,560	47.0	250	64.0	6.9

Source: Workplace Information Directorate

minimum possible adjustment of 2.25 per cent and a maximum of 4 per cent.

Some collective agreements specify the use of a mechanism that is unique to them. For example, the agreement signed by Interlink Freight Systems and the Transportation Communications International Union refers to a board of directors, composed of three union

members, three management members as well as five independent members. The agreement (also called a social contract) between Goodyear Canada Inc. and the Communications, Energy and Paperworkers Union of Canada is the only agreement to use conciliation if the parties are unable to agree on the monetary provisions.

Table 4

**Collective Agreements of More Than 36 Months with Reopeners
by Region/Jurisdiction, 1993-1998**

Region/Jurisdiction	with Reopeners		All Agreements of More Than 36 Months	
	(n)	(%)	(n)	(%)
Newfoundland	2	3.4	13	3.3
Prince Edward Island	1	1.7	3	0.8
Nova Scotia	2	3.4	20	5.1
New Brunswick	3	5.2	28	7.2
Atlantic Provinces	8	13.8	64	16.4
Quebec	39	67.2	106	27.2
Ontario	8	13.8	88	22.6
Manitoba	0	0.0	15	3.8
Saskatchewan	0	0.0	10	2.6
Alberta	0	0.0	15	3.8
Prairie Provinces	0	0.0	40	10.3
British Columbia	2	3.4	58	14.9
More Than One Province	1	1.7	34	8.7
Total	58		390	

Source: Workplace Information Directorate

Table 5

**Collective Agreements of More Than 36 Months with Reopeners
by Industry Sector, 1993-1998**

Industry Sector	with Reopeners		All Agreements of More Than 36 Months	
	(n)	(%)	(n)	(%)
Primary	1	1.7	14	3.6
Manufacturing	40	69.0	137	35.1
Construction	0	0.0	16	4.1
Transportation and Communication	6	10.3	52	13.3
Commerce and Finance	4	6.9	50	12.8
Services	2	3.4	77	19.7
Public Administration	5	8.6	44	11.3
Total	58	100.0	390	100.0

Source: Workplace Information Directorate

Collective Agreements of 36 Months or Less with Reopener Clauses

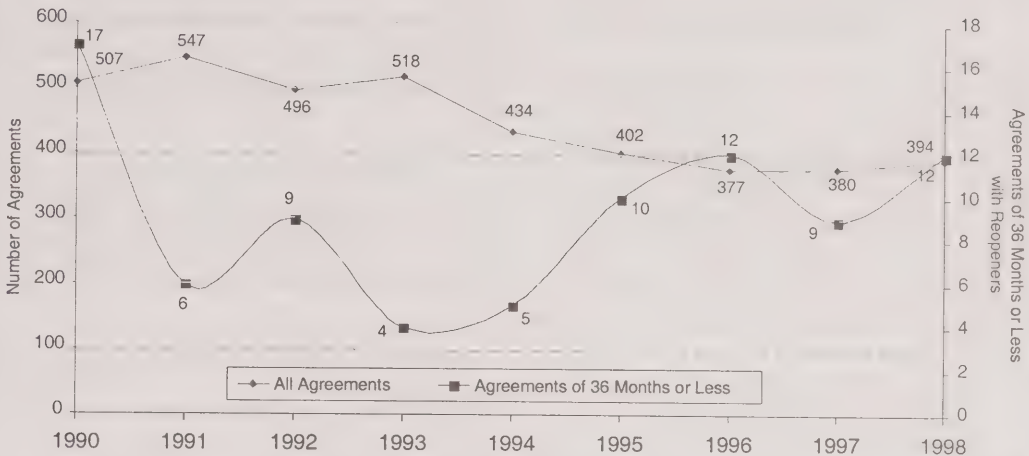
An examination of Chart K shows that, in terms of distribution over time, the ratification of collective agreements of 36 months or less with reopeners is somewhat widely distributed, with a peak in 1990 and some stabilization since 1996. It is interesting to note that the majority of agreements of 36 months or less with reopeners are in the public sector (see Table 6).

Indeed, since 1990, 67.8 per cent of agreements of 36 months or less with reopeners have been in this sector.

It is important to point out that during the past ten years, there were 59 (out of 2,449) agreements of 36 months or less with reopener in the public sector. By comparison, in the private sector, there were only 28 (out of 1,411) agreements with the same type of clause. Geographically, this type of agreement is found

Chart K

Collective Agreements of 36 Months or Less and All Collective Agreements with Reopeners, 1990-1998



Source: Workplace Information Directorate

Table 6

Agreements of 36 Months or Less with Reopeners by Public and Private Sectors, 1990-1998

	Agreements of 36 Months or Less with Reopeners	Agreements Public/Private	Average Term	Employees	Employees Public/Private	Agreements of 36 Months or Less	Agreements of 36 Months or Less Public/Private	Average Term
	(n)	(%)	(months)	(n)	(%)	(n)	(%)	(months)
Public	59	67.8	28.9	97,750	64.6	2,449	63.4	22.6
Private	28	32.2	33.0	53,570	35.4	1,411	36.6	29.0
Total	87		30.2	151,320		3,860		24.9

Source: Workplace Information Directorate

mainly in Quebec (26), Ontario (22), Alberta (22), and Prairies Provinces (26) (see Table 7). On an industry sector basis, 47.1 per cent are in the Services sector (see Table 8).

Types of Reopener Clauses for Agreements of 36 Months or Less

From 1990 to June 1999, we counted 87 collective agreements of 36 months or less with reopener clauses, out of a total of 3,860 collective agreements

of 36 months or less. Despite this low proportion, we note that there are several differences in the provisions pertaining to the reopening of bargaining.

A number of these 87 collective agreements (22) with reopener clauses include reference to external mechanisms where wage adjustments are not bargained. Trailer clauses are an example of external mechanisms. Wage adjustments are based on sectoral wage adjustments rather than on wage reopeners.

Table 7

**Collective Agreements of 36 Months or Less with Reopeners
by Region/Jurisdiction, 1990-1998**

Region/Jurisdiction	with Reopeners		All Agreements of 36 Months or Less	
	(n)	(%)	(n)	(%)
Newfoundland	0	0.0	82	2.1
Prince Edward Island	2	2.3	28	0.7
Nova Scotia	2	2.3	85	2.5
New Brunswick	0	0.0	94	2.9
Atlantic Provinces	4	4.6	289	8.3
Quebec	26	29.9	604	16.8
Ontario	22	25.3	1,496	37.4
Manitoba	4	4.6	201	5.2
Saskatchewan	0	0.0	96	2.5
Alberta	22	25.3	423	11.0
Prairie Provinces	26	29.9	719	18.7
British Columbia	8	9.2	386	10.0
More Than One Province	1	1.1	350	9.1
Total	87		3,845*	

* Does not include 15 agreements ratified in the Yukon and Northwest Territories.

Source: Workplace Information Directorate

Table 8

**Collective Agreements of More Than 36 Months or Less with Reopeners
by Industry Sector, 1990-1998**

Industry Sector	with Reopeners		All Agreements of 36 Months or Less	
	(n)	(%)	(n)	(%)
Primary	2	2.3	64	1.7
Manufacturing	7	8.0	609	15.8
Construction	10	11.5	325	8.4
Transportation and Communication	10	11.5	449	11.6
Commerce and Finance	3	3.4	160	4.1
Services	41	47.1	1,672	43.3
Public Administration	14	16.1	581	15.1
Total	87		3,860	

Source: Workplace Information Directorate

Another possible external mechanism is a clause specifying that wages will be adjusted based on the average of the adjustments obtained by other similar organizations within the same territory (City of Montréal firefighters). Finally, there are also wage reopener clauses that provide for a wage increase while at the same time specifying the maximum and minimum increase that can be granted. Reopener clauses that refer to external mechanisms usually leave little room for bargaining between the parties.

In a number of collective agreements (21), the reopener clauses specify that collective bargaining will take place in accordance with the relevant *Labour*

Code or the relevant legislation. Hence, the right to strike and to lock-out is granted, despite the term of 36 months or less of the collective agreement.

In a few collective agreements (11), the wage reopener clauses indicate that if there is no agreement between the parties, they must abide by the decision of an arbitrator. Often, in these cases, the choice of arbitrator is determined in the collective agreement. There is therefore the possibility of bargaining between the parties but the right to strike is not granted. Similarly, we identified only a small number of collective agreements (2) indicating that the parties agreed not to resort to strike or lock-out when bargaining on wages is reopened.

Some collective agreements (8) of 36 months or less with reopeners specify which items will be negotiated when bargaining is reopened: wages and selected non-monetary clauses. We also found that several collective agreements contained a clause indicating that the parties will undertake continuous bargaining.

Finally, in certain collective agreements, the wage reopener clause makes no provision for a dispute settlement mechanism, thus falling back on relevant regulations/legislations.

There is a Growing Trend Toward Long-Term Collective Agreements, Predominantly in the Private Sector, the Pulp and Paper Subsector and Quebec

In conclusion, one of the findings of this analysis is the significant increase in the number of long-term collective agreements, from 1 per cent to 2 per cent of agreements ratified each year in the early 1990s to 22.1 per cent for the first six months of 1999. This trend is confirmed by the average term of agreements, which has increased from 25.5 to 34.1 months. The private sector, particularly the Manufacturing sector, is having a major impact on the lengthening of the terms of agreements.

The number of long-term collective agreements also varies significantly from province to province. Indeed, the trend is much more pronounced in Quebec than in Ontario, where it is the least prevalent, while the trend is less clear in the other provinces. The average term of long-term agreements is longest in Quebec, Newfoundland and British Columbia.

The number of long-term collective agreements varied considerably by economic sector, with a strong concentration in the Manufacturing sector and a low proportion in the Services sector, where the largest number of agreements were ratified during the period. The average term of agreements was longest in the Manufacturing sector and shortest in the Services and Public Administration sectors.

An analysis by union affiliation reveals that the Communications, Energy and Paperworkers Union of Canada, firmly established in the pulp and paper subsector, ratified the most long-term collective agreements. In fact, four unions, the Communications, Energy and Paperworkers Union of Canada, the United Steelworkers of America, the Canadian Union of Public Employees and the United Food and Commercial Workers International Union, account for nearly half (46 per cent) of the 390 long-term agreements.

With respect to long-term collective agreements with a reopening provision, the number of which was far lower than anticipated, the pulp and paper subsector represents 46.5 per cent of the 58 agreements of this type, which are found predominantly in the private sector and in Quebec. Conversely, the majority of agreements of 36 months or less with reopener are in the public sector and mainly in Quebec, Ontario and Alberta (81.5 per cent).

In terms of the various mechanisms used when the parties are unable to agree during the renegotiation of monetary clauses, in the majority of cases, the parties must abide by the provisions of the *Labour Code*. One agreement in five of this type uses arbitration as a dispute-settlement mechanism and that an equal proportion relies on external mechanisms, such as the Consumer Price Index, to determine wage adjustments. Finally, there appears to be few major differences between the categories of reopener clauses found in agreements of more than 36 months and those of 36 months or less.

The Workplace Information Directorate provides a variety of information on innovative workplace practices in each issue of the Workplace Gazette.

*For more information on workplace innovations, please contact the **Workplace Information Directorate** directly at*

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WORK STOPPAGES* – SEMI-ANNUAL OVERVIEW – 1999 AND CHRONOLOGICAL PERSPECTIVE

*Work Stoppages, Labour Organizations and Collective Agreement Analysis Section
Workplace Information Directorate
Labour Program, Human Resources Development Canada*

Summary

- Time not worked as a result of strikes and lockouts during the first six months of 1999 amounted to 1,492,632 person-days. This total is somewhat higher than the 1989-1998 first six-month average of 1,229,458 person-days lost
- The number of workers involved in labour disputes during the first half of 1999 totalled 114,104, also somewhat higher than the previous ten year first-half average of 95,998
- There were 236 work stoppages during the first six months of 1999, compared with the 1989-1998 first-half average of 250 stoppages
- The average of 13.1 person-days not worked per worker involved in disputes, is marginally higher than the previous ten year first-half average of 12.8 days

Table A

Work Stoppages by Jurisdiction

Jurisdiction	Ongoing during the Second Quarter			Cumulative to June 30, 1999		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Newfoundland	3	3,817	5,240	5	3,978	23,750
Prince Edward Island						
Nova Scotia	10	762	16,080	12	771	16,260
New Brunswick	6	1,968	11,410	7	2,067	15,650
Quebec	63	13,674	202,280	90	17,225	350,702
Ontario	53	20,288	156,090	72	38,252	395,710
Manitoba	4	523	7,160	5	559	9,790
Saskatchewan	4	9,037	63,620	6	21,048	76,300
Alberta	7	1,102	18,620	7	1,102	36,760
British Columbia	12	4,551	55,150	19	12,114	143,120
More Than One Province						
Total Provinces	162	55,722	535,650	223	97,116	1,068,042
<i>Canada Labour Code - Part I</i>	8	14,273	267,840	10	14,583	333,680
Federal Administration				3	2,405	90,910
Federal Total	8	14,273	267,840	13	16,988	424,590
Total	170	69,995	803,490	236	114,104	1,492,632

Source: Workplace Information Directorate

* Involving one or more employees.

- Eight major work stoppages occurring during the first six months of 1999 accounted for approximately 43 per cent of the total person-days not worked
- A strike by 9,500 **Bell Canada** employees, in Ontario and Quebec, accounted for 220,500 person-days not worked through the first half of 1999, 15 per cent of the six-month total. The main issues were wages and job security
- Three strikes with the **Toronto District School Board** involving a total of 14,000 employees of

Canadian Union of Public Employees accounted for 140,000 person-days not worked during the first half of 1999, 9 per cent of the first half total

- Four other work stoppages together accounted for approximately 18 per cent of the total person-days lost during the first half of 1999, as follows: **Government of Canada**, 1,600 employees Canada-wide; **various British-Columbia medical facilities**, 6,500 practitioners, province-wide; **National Steel Car Ltd.**, 2,200 employees in Ontario; and finally, the **Saskatchewan Association of Health**, 8,400 nurses, province-wide

Table B
Work Stoppages by Industry

Industries	Ongoing during the Second Quarter			Cumulative to June 30, 1999		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Primary Industries	8	1,958	43,440	12	2,499	86,490
Manufacturing	44	12,378	154,650	64	16,571	265,402
Construction	3	222	5,010	3	222	5,450
Transportation, Communication and Other Utilities	20	24,870	352,610	29	27,672	442,890
Trade and Finance	31	1,256	44,620	36	1,351	79,190
Community, Business and Personal Services	50	28,011	174,650	68	61,484	477,600
Public Administration	14	1,300	28,510	24	4,305	135,610
Various Industries						
Total	170	69,995	803,490	236	114,104	1,492,632

Source: Workplace Information Directorate

Table C

Work Stoppages – A Chronological Perspective

Period	Number beginning year or month	in existence during year or month*			% of Estimated working time
		Total Number	Workers involved	Person-days not worked	
1989	568	627	444,747	3,701,360	0.13
1990	519	579	270,471	5,079,190	0.17
1991	399	463	253,334	2,516,090	0.09
1992	353	404	149,940	2,110,180	0.07
1993	323	381	101,784	1,516,640	0.05
1994	312	374	80,856	1,606,580	0.06
1995	282	328	149,159	1,583,061	0.05
1996	297	330	281,816	3,351,820	0.11
1997	229	284	257,662	3,610,196	0.12
1998	338	378	232,969	2,465,530	0.08
1998					
June	37	94	37,177	288,010	0.11
July	32	90	27,711	328,545	0.12
August	32	85	16,897	246,950	0.09
September	49	114	44,465	399,850	0.15
October	29	93	27,785	200,380	0.08
November	30	84	100,755	268,850	0.10
December	22	80	11,045	134,610	0.05
1999					
January	13	71	27,664	140,240	0.05
February	21	75	17,454	155,520	0.06
March	38	100	40,002	393,382	0.15
April	36	100	54,502	403,780	0.15
May	31	100	20,786	208,580	0.08
June	39	106	17,434	191,130	0.07

* Refers to work stoppages which began during the year or month as well as those carried over from the previous year or month.

Source: Workplace Information Directorate

UNION MEMBERSHIP IN CANADA – 1999

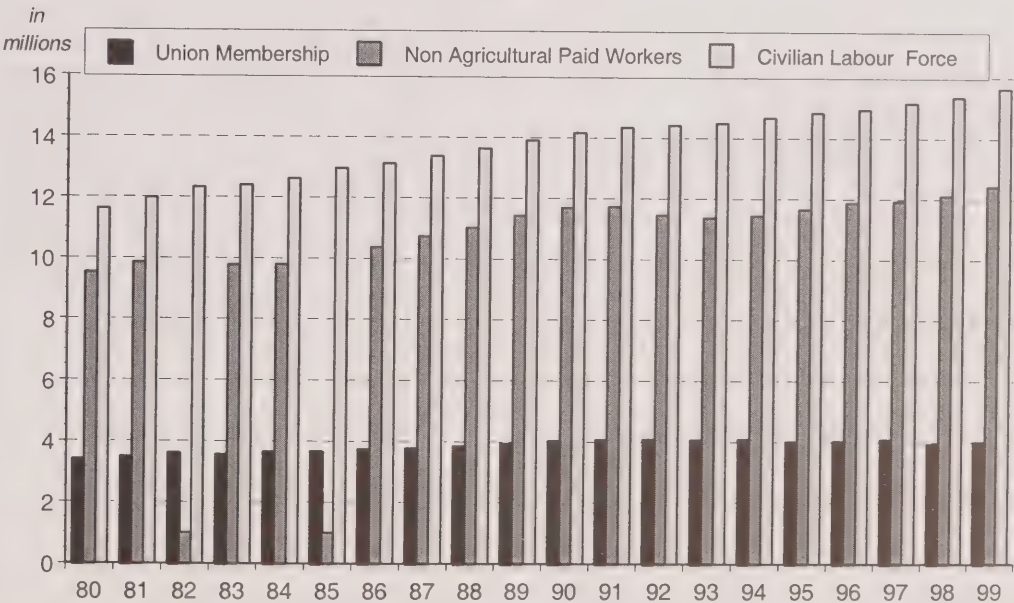
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Preliminary data from a survey of labour organizations in Canada with units of 50 or more members show that union membership in January, 1999, stood at 4,010,400. This represents an increase of 72,600 from a ten-year low of 3,937,800 in 1998 (see Graph and Table). However, over the year, non-agricultural paid employment rose (more rapidly) by 314,000. Consequently, the unionization rate or union density (union membership as a percentage of non-agricultural paid employment) continued its decline to a 28-year low of 32.3 per cent (from 32.5 per cent in 1998).

The affiliated membership of the Canadian Labour Congress increased by 132,800 from 2,626,740 in 1998 to 2,759,510 in 1999 (in comparison to the union membership increase of 72,600). As a result, the Canada Labour Congress' share of total union membership rose to 68.8 per cent in 1999, from 66.7 per cent in 1998. Membership in other central labour bodies declined or remained stable between 1998 and 1999.

Membership rose in both nationally-affiliated and internationally-affiliated unions between 1998 and 1999, with a slightly larger proportionate rise in national union membership.

Union Membership, Non-Agricultural Paid Workers and the Civilian Labour Force
1980 - 1999



Source: Workplace Information Directorate

**Union Membership in Canada
1980 - 1999**

<u>Year</u>	<u>Union Membership</u> (000s)	<u>Civilian Labour Force*</u> (000s)	<u>Non-Agricultural Paid Workers*</u> (000s)	<u>Union Membership as a Percentage of Civilian Labour Force</u>	<u>Union Membership as a Percentage of Non- Agricultural Paid Workers</u>
1980	3,397	11,630	9,519	29.2	35.7
1981	3,487	11,983	9,842	29.1	35.4
1982	3,617	12,332	10,144	29.3	35.7
1983	3,563	12,398	9,786	28.7	36.4
1984	3,651	12,610	9,805	29.0	37.2
1985	3,666	12,953	10,060	28.3	36.4
1986	3,730	13,123	10,375	28.4	36.0
1987	3,782	13,378	10,744	28.3	35.2
1988	3,841	13,631	11,036	28.2	34.8
1989	3,944	13,900	11,422	28.4	34.5
1990	4,031	14,151	11,700	28.5	34.5
1991	4,068	14,329	11,733	28.4	34.7
1992	4,089	14,408	11,456	28.4	35.7
1993	4,071	14,482	11,378	28.1	35.8
1994	4,078	14,663	11,443	27.8	35.6
1995	4,003	14,832	11,668	27.0	34.3
1996	4,033	14,928	11,883	27.0	33.9
1997	4,074	15,145	11,931	26.9	34.1
1998	3,938	15,354	12,109	25.6	32.5
1999	4,010	15,632	12,423	25.7	32.3

* Source: Statistics Canada, The Labour Force Survey, Cat. No. 71-201, various years.

Note: Labour Force and non-agricultural paid employment data shown for each year are annual averages of the preceding year; data shown for union membership are as of January of the years shown and as reported by labour organizations.

SECTION 3

INNOVATIVE WORKPLACE PRACTICES

Céline Laporte

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Labour Program, Human Resources Development Canada

This focus on innovative workplace practices is based on a review of 101 recently settled collective agreements of which one third (34 settlements) report having either implemented or undertaken the study of a variety of new workplace procedures or practices.

Duration

The **average duration** of the 101 collective agreements stands at **33.9 months** with close to half of these (45 per cent) scheduled to expire within 24 months or less. These shorter term settlements include several 24-month wage-reopener and renewal agreements in the Alberta and Ontario construction sectors, various Government of Canada renewal agreements of between 3 to 14 months, and a number of 24-month first-time agreements for newly-amalgamated school boards in Ontario, as a result of the continued restructuring involving boards of education within that province. One fourth of the agreements (26 settlements) are due to expire in 36 months while 16 collective agreements have been renewed for a period of 48 months or more. A **78-month renewal agreement** between the Government of Quebec and the Fédération des médecins résidents du Québec which was reached following 41 months of negotiations, provides the longest duration of the 101 settlements.

Labour-Management Committees

Sixteen of the 34 settlements (47 per cent) provide for the establishment of a joint committee to discuss matters of mutual concern or to resolve specific workplace issues. These include the **recruitment and retention** of nurses in the province of British Columbia (Health Employers Association of British Columbia and the Nurses' Bargaining Association); the development of policies and procedures with respect

to the **prevention of violence towards employees**, the **management of violent situations** and the provision of **employee counseling and support** (Government of the Northwest Territories and the Union of Northern Workers); **alternative approaches to benefit plans** (Fraser Papers Inc. and the Communications, Energy and Paperworkers Union of Canada, Local 29); **access to child care** (Ontario Teaching Hospitals Committee and the Professional Association of Interns and Residents of Ontario); and **training initiatives** (Inner-Tech Innotech Security Consultants Ltd. and the United Food and Commercial Workers International Union, Local 832).

Organization of Work

Three settlements provide examples of initiatives which have an impact on the organization of work within the bargaining unit, namely the agreement between the British Columbia Post-Secondary Employers' Association and the British Columbia Government and Service Employees' Union which enumerates various **labour force adjustment strategies** aimed at minimizing layoffs, to be offered whenever reasonably possible during an employee reduction process. These include such alternatives as **job sharing**, **reduced hours of work through partial leaves**, **transfers to other areas within the bargaining unit**, **workload averaging**, **mutually agreeable secondments**, **retraining and early retirement incentives**. A job sharing option has also been introduced in the settlement between Saskatchewan Telecommunications and the Communications, Energy and paperworkers Union of Canada, Locals 1-S, 2-S and 3. The third and final settlement reporting the introduction of new practices affecting the organization of work is the renewal agreement between the Saskatchewan Crop Insurance Corporation and the Saskatchewan

Government Employees Union which provides for **greater flexibility in job sharing arrangements and scheduling of variable hours** as well as the establishment of processes that would enable employees to **work from home** under certain circumstances.

Compensation and Working Conditions

Eighteen of the 34 settlements (55 per cent) cite examples of new or innovative practices in the area of compensation and working conditions. These include the introduction of leave for the **long-term care of a parent** in collective agreements with the Government of Canada, a **profit sharing plan** conditional on the attainment of company and

employee performance objectives in the settlement between Hydro-Québec and the Syndicat professionnel des ingénieurs d'Hydro-Québec. Elsewhere, a \$200,000 commitment towards a **joint training plan on the prevention of workplace harassment** and a pledge of \$50,000 towards a **joint study on the lack of child care facilities and resulting employment barriers** are being provided for employees of the Government of the Northwest Territories. Finally, a self-funded Provincial Health Care Occupational Health and Safety Agency is to be established to assist employees of the Health Employers Association of British Columbia in **reducing injuries in the workplace** by funding pilot projects, conducting research and **promoting safe workplaces and work practices**.

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CINAR AND THE MANAGEMENT OF GROWTH IN THE ANIMATED FILM INDUSTRY

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CINAR has met the challenges of growth and major change by reconciling, in its management practices, worlds of conflicting principles: on the one hand, the requirements for precision and administrative control and, on the other hand, the desire for autonomy of people working on artistic reation and production. The means used to achieve this end are both structural and cultural. They represent interesting and original approaches to managing growth without stifling the dualities that are an intrinsic part of a company in the animated film industry.

1 — Introduction

This case study, which was conducted in early 1998, examines CINAR, an integrated company specializing in the entertainment field. CINAR develops and produces non-violent programming and educational products aimed at children and families and distributes them internationally. Its productions include the television series *Lassie* and the animated series *The Busy World of Richard Scarry* and *Paddington Bear*.

CINAR has experienced strong growth and many changes throughout its history. Founded in 1976 by two Canadian entrepreneurs, Micheline Charest and Ronald A. Weinberg, the company originally specialized in film distribution, subsequently expanded its activities to include the production of animation and live-action programming. In 1993, the company became a publicly listed corporation trading on the Montréal and Toronto stock exchanges in Canada as well as NASDAQ in the United States. The proceeds from this initial share issue and subsequent issues have been used to make acquisitions in the animated film industry and to diversify the company's activities, for example through the acquisition of Carson-Dellosa Publishing Company, one of the top five United States publishers of educational materials. In the process, the company has substantially expanded its operations and,

year after year, sets new sales and profit records.¹ Its workforce has also grown at a dizzying pace. In the mid-1980s, the company had only about a dozen employees; by the end of 1997, it employed over 400 full-time employees and more than 650 freelancers.

The company's activities are directed from its headquarters in Montréal. CINAR has several subsidiaries and divisions as well as numerous partners that enable it to distribute its productions in more than 150 countries around the world. Some of its programs have been translated into more than 40 languages. The in-house staff are relatively young and well-educated: the average age is 30 and most employees have a university degree. These employees are not unionized, but the contract workers are governed by professional associations.

How has CINAR succeeded in managing its growth and constant changes? To answer this question, we concentrated on the audiovisual production activities that are the heart of the company's operations. The study data were compiled from documents and during five semi-structured interviews, each lasting approximately one hour, with three vice-presidents and two directors, in late 1997. These interviews dealt with

¹ Total sales and net profits exceeded \$93 million and \$12 million respectively in 1997. CINAR annual report.

five major topics: the new internal management practices, the implementation of these practices, their financial and human impact, the success factors, and the problems and pitfalls to be avoided in managing growth. The study report was submitted to senior managers for discussion, review and approval of the final version.

The case study shows that in the course of its growth, CINAR has been able to reconcile worlds of conflicting principles: on the one hand, the requirements for management and administrative control and, on the other hand, the desire for autonomy of production and creative staff. Both structural and cultural means are used to meet this challenge. They represent interesting and original approaches to managing growth without stifling the dualities that are intrinsic to the operations of a company in the animated film industry. These analysis results are presented in the next two sections, followed by a final section on critical success factors and the problems posed by managing growth and change during the coming years.

2— Organizational Structure

Significant increases in operations and staff during the past ten years called for a more structured approach to management and more administrative control. However, at the same time, the managers and employees wanted to preserve the advantages of a small company where the structure is simple and flexible and where relations are friendly and personalized. This two-fold need for order and efficiency on the one hand, and flexibility on the other hand, has remained a constant concern and is reflected in the management structure and practices implemented, both at the senior management level and in basic operations. In this way, CINAR has been able to successfully manage its growth.

Type of Organizational Design

The structure developed in recent years resembles a new type of organizational design that is becoming increasingly popular in the business community and which some authors have described using terms such as the cellular company or federation of units.² At CINAR, this organizational design takes the form of a double structure: one for the base and the other for

the top. At the base, operations are organized by project. For each audiovisual production, a company is created and then dissolved at the end of the project. The basic structure is therefore very mobile. It is also decentralized, since each production team has its own project head, its own budget and its own specialized staff in the fields required by the project in question. These operational units report to a functional structure established at the top management level. In 1997-1998, there were ten vice-presidents, each responsible for a function or a field of administration: legal and commercial affairs, finance and corporate development, production budgeting, communications, distribution and sales, operations, development/production (animation and live-action).

This double structure is unique to CINAR in the audiovisual production industry, since companies in this industry usually operate on a project-by-project basis. By adding the functional structure, CINAR is able to ensure greater specialization of management personnel and greater administrative control. This helps maintain quality and efficiency, since the production of animated films requires complementary expertise in a variety of fields. At the same time, this structure reduces the risk that administrative units will operate in isolation or impede the interdepartmental flow of information: the project-based structure requires cross-communication between the production teams and the administrative units. The primary responsibility of the administrative units and their vice-president is not to control the production teams, but rather to provide them with the support and expertise they need to carry out their projects.

Operational Characteristics

The organizational design adopted at CINAR is based on management procedures and practices that have become more structured in recent years, without hampering overall functioning. The organizational dualities (e.g., control/autonomy, order/flexibility, stability/change) have therefore not been stifled.

Since 1993, administrative duties have become more specialized with the addition of new vice-presidents. A clearer distinction is also made between administrative positions and operational positions (technical and artistic). At this stage of the

² See for example, R.E. Miles, C.C. Snow, J.A. Mathews, G. Miles, & H.J. Coleman (1997). Organizing in the knowledge age: Anticipating the cellular form. *Academy of Management Executives*, 11(4), 7-24.

company's development, the vice-presidents still assume many combined administrative and operational responsibilities, but they tend to delegate more with the creation of new administrative positions. As a result, there has been a gradual increase in vertical specialization. There are department heads, a few coordinators and assistant coordinators, as well as supervisors or team leaders. However, an effort is made to reduce the layers of management as much as possible in order to maintain close contact with the grassroots and avoid a degree of administrative control that would hinder overall functioning.

Certain management practices have also been formalized in recent years. A notable example is the senior management meetings. A production committee, composed of the vice-presidents, the project heads and the two founders, has been established and the members meet on a weekly basis. It is during these meetings that the ties between departments and administrative units are consolidated. The progress of current and planned projects is discussed, as are ways of improving in-house practices. These meetings are therefore used for the control and monitoring of operations. They are considered very important by the participants, who make it a point to attend. Thus, even though senior management distances itself somewhat from day-to-day operations, it keeps close tabs on what is happening.

The management team also relies heavily on the synergy amongst its members and their participation in decision-making and problem-solving. For example, strategic goals and objectives are determined by the two company founders in conjunction with the vice-presidents. The latter also have a great deal of autonomy in their work. For example, the vice-presidents of the operational units have their own operating budget and manage their human, financial and material resources as autonomous business centres. They also ensure close contact with clients, are involved in the development of markets, notably international markets, and endeavour to ensure that the operations calendar is filled up as far in advance as possible. Some CINAR units can also market their own services to outside clients, thereby contributing to the company's growth. In the case of CINAR Studios, for example, 10 to 15 per cent of its total sales are derived from the rental of its facilities. The vice-presidents are therefore highly involved in the development of the company's business and internal operations. They form a closely knit management

team. These characteristics are consistent with senior management's goal of flexibility.

Senior management's desire to maintain a simple and flexible structure is expressed in other corporate practices as well. One comment, for example, was "we don't want a general manager" or "we don't want people who come in and manage for the sake of managing." These remarks reflect a wariness of formal hierarchical controls and a preference for self-management of units and people. There is also a wish to preserve natural information flows; the control process should be an extension of everyday interactions in order to maintain the vitality and spirit of a small film production shop. Everyone is afraid of bureaucracy and takes steps to avoid making the administrative process too cumbersome.

Strong teamwork supports basic operations, and certain practices, such as planning and control, are more formalized than in the past. But the employees have input into the formalization process. For planning, the work teams are involved in the preparation of the operational timetables and cost forecasts. For example, the supervisors or coordinators often consult the technicians about the time and resources required by productions. For budget control and monitoring, a computer system was recently installed to facilitate the processing and circulation of information. The principle of interunit billing is also applied. Thus, services offered or requested internally are the subject of intergroup negotiations. The allocation of resources could therefore be a source of conflict, but the process – which increases the involvement of the work teams in cost control, meeting deadlines, etc. – seems to be viewed more as a reality of the market and an element of positive tension. The pursuit of common objectives, notably providing quality service to a shared clientele and producing products of high quality, seems to take precedence over local interests. The culture also seems to play an important role, as we will see in the next section.

While work processes for planning and monitoring the results are more formalized, this is not the case for day-to-day operations, where the mechanism of mutual adjustment predominates. Interactions between individuals and units occur spontaneously depending on circumstances and work requirements. Informal rules also encourage continuous questioning about processes and approaches. There is an effort to make continuous improvements. Consistent with the film creation and production process, which

requires rigorous monitoring and the involvement of individuals with varied expertise, the different stages of production are closely interlinked. The project-based organizational design makes this synergy between employees possible.

CINAR avoids excessive formality by keeping job descriptions fairly general. Employee mobility between projects and communication between units are also strongly encouraged to develop the versatility of all staff. Thus, in addition to being familiar with the technical aspects related to their field of competence, management staff, such as directors, coordinators and team leaders, have a general knowledge of the other duties associated with film and television production. One of the individuals interviewed pointed out that at CINAR, "We can wear any hat or perform any activity outside our fields of experience." For example, a director will not hesitate to move a cable as a safety measure if a technician cannot do it.

In conclusion, CINAR has instituted greater administrative control to manage growth in recent years, notably by increasing specialization and by formalizing some of its activities to a greater degree. The changes in work structure and organization have occurred without sacrifices in operational flexibility, and this seems to have contributed to the company's success. The collaboration of individuals from different backgrounds (such as technicians, artists and managers involved in coordinating the various stages of audiovisual production) is facilitated by flexible work practices. Interaction between departments encourages versatility and intense teamwork. In addition to these factors, the corporate culture helps explain the company's ability to adapt to growth and change.

3— Corporate Culture

CINAR's culture is characterized by values and a management philosophy which were present at the company's inception and which management has sought to preserve and even to reinforce during the growth process. Our analysis shows that CINAR's culture constitutes a subtle form of control and replaces the need for more rigid administrative controls. It therefore supports and complements the company's flexible structure. The next sections describe the characteristics of this culture and the means used to preserve it.

Cultural Characteristics

The people interviewed described CINAR's culture as an entrepreneurial type of culture which is a culture which strongly values initiative, commitment and self-management. Employees are expected to be resourceful, to be autonomous in their work and to take initiative, whether in coming up with ideas or in meeting the time, cost or quality requirements of the productions in which they participate. Involvement in one's work and self-management are highly valued. Employees are not clock-watchers and act as if projects belong to them. They get involved in decision-making and agree among themselves on how to solve the problems encountered. The commitment to the company is therefore more psychological than economic.

Respect for the creative process is another important cultural characteristic. CINAR does business with a considerable number of artists. Animators, water-colour artists, illustrators, vocalists and musicians work in the arts and animation units and are involved in the technical stages of production on the artistic side (e.g. soundtracks). These individuals have work methods and requirements that are very different from those characterizing the other groups of employees. One of the individuals interviewed commented on the differences as follows:

"Artists are different from entrepreneurs; they are like butterflies. You have to open your hand to let them land, but if you try to close your hand to hold on to them, to force them or control them, they fly away. That is what an artist is like".

The environment at CINAR is conducive to the creative process, and the company makes a deliberate effort to protect the artistic side. For example, artists have an equal say in decisions, along with managerial and technical staff. They are treated the same way as other groups of employees and are respected in the same way for their competence and expertise in a particular field.

A third cultural characteristic, and one that is consistent with those already mentioned, is a striving for excellence. Quality standards are very high in the company, despite the speed with which audiovisual productions must often be produced. Employees are therefore encouraged to excel and to demonstrate innovation in their work. They are also encouraged to be versatile and to vary their activities. All this imposes heavy demands on individuals. According

to those interviewed, these demands sometimes lead to stress and exhaustion; but, in general, they are viewed as challenges and a source of positive energy.

CINAR's culture is also characterized by a work climate in which team spirit and spontaneous, informal relations are the rule. The persons interviewed spoke enthusiastically of the synergy that exists in the work teams and particularly within management. Great value is placed on collaboration, mutual assistance, equality, trust and respect. Conversely, status differences, the star system and competition between individuals or groups are not encouraged at all. All of this helps to maintain collegiality and respect for individual autonomy, as well as to establish social relationships based on reciprocity and complementarity.

A final cultural characteristic revealed by the case study is pride, which seems omnipresent in the company. In addition to pride in work well done, which is highly valued, employees are proud to work for a successful company that they find dynamic and exciting. They are also proud to contribute to the creation of programming that enjoys a worldwide reputation for high quality. Finally, the managers speak of CINAR's staff with a great deal of pride and in glowing terms: dynamic employees, dedicated to their work, very demanding of themselves, as well as highly committed and loyal to the company.

Means of Supporting the Culture

CINAR's culture is supported by a set of rules, expectations and management practices. What emerges from the analysis, first of all, is the clarity with which the rules of conduct and the expectations are expressed. Employees are expected to adopt the behaviours valued in the company; the consensus that seems to exist in this regard suggests that employees and managers have internalized the company's values and have made them their rules of conduct. Self-discipline therefore appears to be a routine practice at CINAR.

Beyond this general control, other practices reinforce the behaviours valued and expected in the company. A first group of practices relates to individual accountability. Managers do not hesitate to assign responsibilities to employees and expect them to carry out these responsibilities. The employees must therefore be capable of solving the problems they encounter. The expectations in this regard are clear. "We won't do it for them," stated one of the persons

interviewed. Nor will they accept excuses or blaming of others for failures: responsibilities must be assumed. The attention paid to managing the results rather than the process is in keeping with this spirit of self-management and self-discipline. The following two excerpts illustrate the importance accorded to individual accountability in the company.

"Here, creative responsibility is assigned whereby each project belongs to the person who is doing the work. That is something that exists virtually nowhere else, unless you have your own company. When you are mixing a film (...) if there is a problem with the image, the person will stop and will call video to ask what is going on with that image. If you don't like the sound of something, you call the sound mixer. So, people are involved (...) because the projects belong to them. That encourages everyone to strive for excellence, much more than elsewhere, and they are more responsible".

"People are given a great deal of latitude to display initiative. Not only are they given latitude, but people do not survive at CINAR if they do not display exceptional initiative, a sense of entrepreneurship, a sense of teamwork, innovation (...)"

Rewards constitute another means of reinforcing the expected behaviours. Stimulating work, notes of congratulations and special assignments are rewards that are highly appreciated by the employees, since they are a form of individual recognition of competence. Promotions to positions of responsibility are also used to reward performance. Some employees who started off in junior technical positions today occupy senior management positions. One of the persons interviewed made the following observation:

"I have a great deal of latitude in my duties. For example, if I demonstrate initiative or an interest in something else, they will OK it. I can go as far as I want, and I'm not the only person in this situation. Everyone has an interest in developing their own work".

The company's rapid growth has made such recognition possible. There have also been efforts to make the physical work environment pleasant. The attractive decor is based on characters from CINAR's television series, and numerous conference rooms facilitate internal communications.

Given the demands that the corporate culture and the company's growth impose on employees, management is paying increasing attention to managing staff or to human resource practices. Skills profiles have been defined for certain positions, and performance appraisals are now done more regularly and in writing. Thus, the staffing process is becoming more rigorous. Efforts are also being made to bring the selection criteria into line with CINAR's culture:

"When employees are recruited at CINAR (...) we make sure that the individuals fit into the company, that they embrace this culture, that they have the basic qualities to enable them to adapt easily".

CINAR has instituted formal orientation practices for new employees, such as tours of the facilities and meetings with various members of the company. These practices assist in integrating new employees into the company in various ways: by making them autonomous more quickly, transmitting the corporate culture to them and developing their sense of belonging.

The managers also have specific responsibilities with regard to the staff. They must trust their employees and believe in their abilities. They must also deal with them from the standpoint of an advisor rather than from a position of authority. They are responsible for transmitting the corporate culture and ensuring that their employees develop their skills, for example, by giving them stimulating work and new challenges to meet. This entails taking risks with certain projects or individuals and accepting the failures or mistakes which can occur. Mistakes are tolerated, but if they are repeated they are interpreted which is not acceptable.

Other practices make it possible to reconcile the requirements of the artists with those of management. Most of the individuals responsible for this reconciliation are managers who have some training in the arts. This is true in the case of, for example, the person in charge of CINAR Animation and the person in charge of CINAR Music. Furthermore, the head of CINAR Animation has also been in charge of both the arts division and the operations division for more than a year. This consolidation of responsibility attests to the importance top managers accord to reconciling the management and creative perspectives.

The efforts to protect, and indeed even "isolate," the artists from administrative and other concerns are supported by rules of conduct. One manager commented:

"I have two rules in the studio (...) The first is that the studio must not interfere with the work of the artists...because if you interfere with the work of the artists, they will not work, they will leave. The other rule is that they must be treated with respect; and personally I do not like big organizations, red tape, etc. I have always worked in small companies where people can move around. In large organizations, I find that people are not treated with enough respect. Furthermore, these companies often interfere with the people who work. (...) I can say that CINAR Films does not interfere with the people who work. This is a different culture".

This same person explains how to reconcile the artistic and management perspectives.

"This (managing artists) can be done by fairly sophisticated management techniques whereby, for example, you get them involved in the schedules; when they are completely involved they have a greater feeling of belonging; then you commit people so that they have mobility between the creative and business aspects".

Rewards and rules of conduct find fertile ground among CINAR employees, who set very high personal standards for the quality of their work, whether at the creative development, editing or soundtrack stage. These individuals are very sensitive to the esthetic side of life, to beauty and perfection in all things, as the respondents point out. The high standards of performance, and the values associated with them, therefore seem to be internalized by the workforce, a quality that encourages self-management and self-control.

4— Critical Success Factors and Problems for the Future

The substantial expansion of work has helped CINAR to eliminate downtime and to create permanent positions. The company has thus been able to develop a bank of expertise and to benefit from the lessons learned over the years, which provides a great

competitive advantage in the animated film industry. Furthermore, as a vertically integrated company, it can exercise better control over all stages of production, from initial development to distribution, and this helps to preserve the quality of productions. While these factors are important, by themselves they do not fully explain the company's success. Internal organization also plays an important role. It carries other critical success factors, as well as challenges or problems to be overcome, if growth is to be maintained in the future.

The production of animated films demands a team spirit similar to what one finds on a film set, where the expertise of various contributors is combined. However, in the audiovisual production industry, relations between producers, directors and technicians are not always easy.³ The producers, responsible for the financing and accountable to the various financial backers, must ensure that budgets are not exceeded. The directors are essentially responsible for coordinating and supervising the production operations, while the technicians have the necessary technical expertise to carry out the work within the constraints that arise in the field.

Respecting the autonomy and expertise of the various groups involved plays a key role at CINAR. The uniqueness of the company resides precisely in its ability to harness diametrically opposed worlds for the sake of achieving common objectives and to avoid conflicts between the technical, artistic and administrative groups. The unifying link is found in the organizational structure and culture, as the previous sections have shown.

On the other hand, the unprecedented growth of the workforce that CINAR has experienced in recent years has brought its share of problems and challenges for the future. The substantial increase in personnel has raised fears about losing the flexibility and fluidity that characterize interactions between the various parties. The comments of the individuals interviewed revealed certain fears of a greater separation between management and operational staff.

In addition, as mentioned earlier, senior management is tending to delegate more and more authority and responsibilities to others. The creation of additional levels of management to assist in attaining collective

objectives may worsen internal communication problems. For example, it may become more difficult for any decisions taken during the weekly production meetings between producers and vice-presidents to filter through the levels of the organization. The real danger is not the loss of the information, but the loss of the information relevant to each of the operational units.

There has been a certain delay in improving the human resource systems, compared with the changes made to the other operating systems to meet the challenges of growth. This is particularly true in the case of the compensation system, which needs to be made more equitable and stimulating to reflect the rapidly changing duties and responsibilities. The fact that the company also does business with a considerable number of freelance workers can lead to certain tensions between the permanent employees and the freelancers given production cycles. This constitutes an additional challenge with respect to the work climate. Feelings of unfairness about salaries and job security can arise in either group of workers.

What about the sense of belonging? The fact that the company deals regularly with a pool of freelancers enables it to adjust to the cyclical variations in production, although this arrangement can also impede the sharing of the corporate culture by all workers. On the other hand, it is possible that having different types of workers work together can nourish, indeed even enrich, the corporate culture. Moreover, it is possible that the entrepreneurial culture described by the respondents derives partly from this collaboration.

In conclusion, the strength of CINAR and the reasons for its success reside in the reputation of its products, to which investors and clients alike attach great value. This is due not only to the know-how and expertise acquired over the years but also to a judicious mix of management practices, practices that encourage respect for individual autonomy while ensuring the rigour and efficiency of operational and administrative activities. Order and disorder, stability and change, control and autonomy, art and management: these are dualities the company has managed to reconcile in its structure and its culture to meet the challenges of growth in the past. The will to preserve these accomplishments and the vigilance devoted to this end appear to augur well for success in the future.

³ Gaëtan Tremblay and M. Jolicoeur (1994). *La production audiovisuelle indépendante au Québec : résultat d'une enquête auprès de 91 entreprises*. Université du Québec in Montréal : GRICIS.

WORK REORGANIZATION AT WINK INDUSTRIES, MONTRÉAL, FROM 1994 TO 1998

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This case study describes organisational changes mainly structured around the organisation of work in the Montréal facilities of Wink Industries, which specializes in the manufacturing of bedding products. What distinguishes this case from many others is the large number of changes made during a very short period of time to enable the company to straighten out its financial situation while dealing with the aftermath of a union certification. This case study is based on abundant documentation produced by various committees, observations and interviews conducted in all three facilities with people from every job category. There is also direct involvement of the second author's participation in the implementation of the changes, as a servicing representative, since February 1996.

The Company

Established in 1970, Wink Industries is a single-owner-company specializing in bedding products. It consists of a yarn and fabric mill located in Caraquet, New Brunswick, three manufacturing plants in Montréal and a sales office in Toronto. Set up in 1990 with the help of a \$16 million subsidy from the New Brunswick government, the Caraquet mill differs from the Montréal facilities mainly by its ultra-modern equipment. Almost all of its production is shipped to the Montréal plants to be sewn and assembled into various bedding products, such as sheets, bedspreads and pillows. At the time of the study, two of the Montréal facilities specialized in manufacturing, while the other acted as a distribution centre.

The two Montréal plants, located within two kilometers of each other, have workforces that vary according to fluctuations in production volume, but average around 500 workers. Among these, some 375 are direct labour, represented of late by the United Food and Commercial Workers International Union. The majority of production workers are women of ethnic origin with little education and, according to some of the people interviewed, up to ten per cent of them are illiterate. Until quite recently, the turnover rate was very high, sometimes as high as one-third of the workforce. This situation was largely due to the working conditions that, prior to the certification of the union, barely exceeded minimum standards, particularly with regard to pay.

The company has always had a highly centralized management structure. Decisions are discussed by the owner and a very small management team and then transmitted to the two other levels of the chain of command: the manager of each of the three facilities and the foremen. Management is perceived as fairly authoritarian; some interviewees felt that the approach of one of the managers played a large role in the workers' decision to unionize. Traditionally, communication was limited to a minimum and manufacturing staff were expected to follow their supervisors' instructions.

In October 1994, a petition for certification, subsequently challenged by the employer, was submitted by the United Food and Commercial Workers. Further to a vote held under Section 32 of the Quebec *Labour Code*, the petitioning association was certified in January 1995. In December of that same year, after 30 negotiating sessions, the intervention of a conciliator and the rejection of management offers by the general meeting, the union submitted a request to the Quebec Department of Labour for the arbitration of the first collective agreement. The collective agreement was finally imposed on July 16, 1996. It is interesting to note that the two parties had already reached agreement on all clauses at the end of the previous month.

Factors that Triggered Organizational Changes

After operating in a quite stable environment until the early 1990s, Wink Industries had been faced with increasing changes during the last decade, the first being the stricter requirements of retailers with respect to quality and delivery deadlines. On one hand, retailers as a whole and the company's retailers in particular became much more quality-sensitive than in the past and some even demanded that their suppliers be ISO-certified (international standardization). This phenomenon had an impact on Wink Industries long before the introduction of organizational changes in 1995, and became much more intense in 1996 when two of its largest United States retailers set up a system of in-house standards that Wink had to comply with, at the risk of losing their business.

Following an audit that showed that the company's products did not meet the quality standards required, a United States client advised Wink that it would stop buying from the company for a two-year period. Furthermore, retailers were becoming less tolerant of delivery delays and were requiring a just-in-time production approach. This requirement progressively became a standard operating procedure in the bedding products market. The ordering model that is becoming most widespread is one where retailers give their suppliers approximate sales estimates for a given period and confirm the exact quantities to be produced a few weeks, if not a few days, before delivery.

These two requirements and their definite repercussions have had a critical impact on the company, especially since its expansion plans mostly targeted the American market. Having initially established itself mainly in the Canadian market, the company gained a foothold in the United States market in the 1980s and by 1995 was making 35 per cent of its sales across the border, becoming the only Canadian manufacturer in its sector to make a significant breakthrough in the United States. While cancelled sales to the United States retailer represented a mere 5.0 per cent of the company's sales volume, it was perceived that such a decision could lead to a weakening of the company's brand image and jeopardize its expansion plans in that market.

A second component of change was the intensified competition. With simple products requiring little investment and a low-skilled workforce, the bedding products market has seen competition intensify during the last ten years. Recent market analyses call for a

further increase in competition, at least until the year 2000, with the appearance of Asian producers such as India, China, and Pakistan, resulting in a tightening and near elimination of price competition, making it almost impossible for a manufacturer to raise prices to increase revenues. This market characteristic was to have a major impact on Wink Industries with respect to the third factor that fostered the introduction of organizational change.

Following continuing growth that by 1993 accounted for a 250 per cent increase in sales volume over 1985, Wink Industries suffered losses and was unable to reach the break-even point in the following years. Workers were laid off and the possibility of closing the Montréal plants was even raised. As the company had productivity problems and could not adjust its prices, it realized, with the help of outside consultants, that the only way of straightening out the situation was to make substantial internal changes.

Strategic Choices

The two strategic decisions focusing on quality and work reorganization were preceded by two others taken, one after the other, as early as 1994. The first one is related to the urgent problems created by the lack of profitability. After almost two years without breaking even, the company's management opted in 1994 for a recovery strategy, with the help of the Société québécoise de développement de la main-d'œuvre, referred to as the Quebec labour development board. As a result of the involvement of this organization, which works to help business turnaround, a wide-ranging diagnostic survey of all the company's activities was done by a company of management consultants, assisted by production systems advisors. The study, carried out during the first semester of 1995, led to 13 reports on as many aspects of the company operations and resulted in recommendations dealing with: marketing, production, planning, control and human resources management. Several of the recommendations were applied during the year, so that the company gave the impression of undergoing continuous change. They had to start from scratch in several areas. For example, there was no organizational chart showing the company's structure, virtually no written procedures on work processes, little monitoring and updating of computer programs. Several changes were therefore made to all these functions.

The second strategic decision involved a joint decision by labour and management to undertake a collaborative approach. To understand this decision,

it is necessary to go back a few months to describe the circumstances that led to the appointment of a former unionist as Director of Human Resources. In 1995, Wink Industries had a workforce of approximately 500 at its Montréal plants and no human resources director. The human resources function was limited to hiring and laying off people according to production needs, issuing pay cheques and monitoring individual performance. There were very few job descriptions, no wage schedule or structure, no training program and no performance appraisal system.

A combination of circumstances would give rise to the renewal and development of this important function. The union was certified in January 1995 and in December of that same year, negotiations ended in a request for the arbitration of the first collective agreement. Since the person hired by the company a few months earlier to deal with personnel matters, and recruitment in particular, was leaving on maternity leave, management decided to hire, as her replacement, a labour relations specialist who had worked in the union movement, and who had a keen understanding of labour-management relations. He was hired in early 1996 as a labour relations manager and set up the Human Resources Branch, which continues to develop. Combining the duties of Human Resources and Quality Assurance Director, he had the full support of management and quickly became its favoured representative in dealings with the union and employees. In August 1997, he changed jobs, becoming the director of Manufacturing and Distribution for the Montréal plants. He is perceived by the company as a very dynamic person and as a highly competent change agent.

On the management side, the appointment of a former unionist as senior management representative played a large role, in conjunction with the involvement of the Quebec labour development board, in convincing management that, given the extensive changes facing the company, collaboration with the union was the best approach to take, especially in the light of diagnostic studies indicating that despite changes already made, a number of others were needed to improve the overall situation. On the union side, it was felt that failure to bargain a first collective agreement had influenced the company to hire a person who was experienced in labour relations.

Union membership for workers in the garment industry sub-sector was a new challenge for Local 501 of the United Food and Commercial Workers International Union, which was more experienced in representing warehouse workers. Along with the challenge came

some concern, because discussions within the company indicated that sooner or later, it would have to consider implementing the new forms of work organization that had appeared in the garment industry in the early 1990s to improve productivity. In February 1996, the company hired a former union representative of the International Ladies' Garment Workers' Union (the second author of this article) who not only had a very good knowledge of the latest developments in the industry but also experience with the collaborative approach used in businesses in difficulty. The appointment was favourably received by all, including participation in arbitration sessions for the first collective agreement, leading to work activities in the three Montréal plants.

Four main joint committees constitute the cornerstone of this collaborative approach. The core committee is a labour adjustment committee (*Comité d'adaptation de la main-d'œuvre*) struck in December 1996 to guide the major changes dealing with quality and the organization of work. With five representatives each from management and the union and two representatives from the Quebec labour development board and Human Resources Development Canada respectively, the committee oversees the other committees set up as part of the reorganization and meets regularly to decide on the changes to be made. It is interesting to note that union participates in the financing of this committee by paying 2.0 per cent of the costs. The three other committees are health and safety, labour relations and work organization. The latter's name was changed in the last year to the modular committee. The committees, as described in the collective agreement, are a forum where the parties can discuss any issue having an impact on working conditions. Although it is set out in the collective agreement that these are joint committees, the employer has agreed to increased union representation in some cases to ensure a more wide-ranging representation of workers.

The third strategic decision was to focus on quality by launching the process that would lead to ISO certification. In 1995, the company's record for quality was poor. Internal analyses indicated that it did not comply with 18 of the 20 elements of the ISO standard. For 15 of these 20 elements, the results were equal to or less than 30 per cent. For four elements, including training, it only met 5.0 per cent of the international standard. Since its main retail clients were increasingly complaining about the poor quality of products, in 1996, the company decided to put a new emphasis on quality and in 1997 commissioned a firm of consultants specializing in quality assurance to

make changes with the goal of seeking ISO certification as soon as possible.

This decision had repercussions on the company's three facilities and all categories of employees. Individual and group meetings were held with executive and management personnel. A questionnaire covering all activities was administered to six groups of employees. Some sixty of them took part, in small groups, in the identification of methods and procedures for the drafting of a quality assurance manual to be used for training and the standardization of work methods. Retailers were also involved. They not only asked to be regularly informed of progress, but one of them required that the company comply with four of its in-house standards in addition to the 20 ISO elements.

The fourth strategic decision was the introduction of modular work organization. This new initiative, based on greater worker involvement and imported from the apparel sector, targeted productivity improvements and just-in-time production. These changes were implemented in 1996.

Innovations

By 1996, Wink Industries had been making major decisions to try to improve its situation for two years. During this short period, several events occurred that profoundly changed its way of operating: involvement of Quebec labour development board representatives, certification of a union and start of negotiations, extensive diagnosis done by a consultant firm, involvement of Human Resources Development Canada through the establishment of a labour force adjustment committee, introduction of the quality assurance approach and intention to seek ISO certification, hiring of a new labour relations director who would become the human resources director and finally, production and distribution director. The company forged ahead and opted for a comprehensive solution to its crisis. Modular work organization would be the last major decision and, over the years, would become the most dominant. Implementation was carried out in three phases: the pilot project in the fitted sheet department, the extension of the formula to other departments and finally, broadbased establishment of modules that better match the product manufacturing process. Before describing each of these phases, the following paragraph will briefly explain the main characteristics of the work organization prior to the reorganization.

Until the first module was set up in 1996, Wink manufactured its products by the bundle system, most common in the industry. Workers who specialized in one or sometimes two tasks would carry out the same operation over and over on products that they then placed in boxes or bundles on a chair or directly on the floor once their operation was finished. The bundle was then forwarded to the next workstation in the process, where the worker would carry out another operation on all the units in the bundle. The main disadvantage of this formula, designed for large-scale production, was that it was impossible to produce a unit in a short time. The work was highly individualized and the coordination needed to bring together all the components of a product required several days, and sometimes weeks. Most companies using this manufacturing method in the apparel industry apply a piecework wage system. Despite quality issues, the approach makes pay dependent on the number of units produced by the worker, thus providing some control over productivity. However, at Wink Industries, workers were paid hourly rates, increasing the need for supervision of individual production in order to maintain levels of productivity. In the absence of standard times, it was very difficult to monitor production levels and in addition wages were close to the minimum wage.

Phase I – The Pilot Project in the Fitted Sheet Department

In 1996, the company agreed to try an experiment in one of its departments to simultaneously improve its quality, productivity and delivery times. It chose the fitted sheet department, where operations were simple and small in number. It set the department up as module, being able to produce a fitted sheet from a piece of fabric in a few minutes. Physically, the department is divided into two sections, the first one consisting of sewing machine operators who sew the corners and elastics, and the other the folders and packagers. The work consists of successively feeding pieces of fabric into the first section where sewing machine operators, working side by side, each take a piece of fabric hanging from a rail, carry out their operations, and let the finished product move on to the next section, where the fitted sheet is first folded and then placed in its packaging.

In addition to a lead hand who assists the sewing machine operators and calls the machinist when the equipment breaks down, the module is made up of a varying number of people, a dozen on average, depending on the volume of orders. At the time of the study in June 1998, there were nine people in the

module. As the experiment went on, the workers began to help each other and become multiskilled, but only within the sections. Thus, although the module constitutes a unit structured around a work team, the impact on the workers tends to be felt within each section. The best example is provided by the sewing machine operators who not only help each other often but also systematically rotate between workstations.

During the first year, the project was more experimental in nature and consisted largely in studying the feasibility conditions for the implementation of the formula in a context where the labour force had little advance preparation and where there were no standard time systems. For this reason, the first year was mainly spent determining standard times. The experiment was positive; at the end of the period, union and management agreed on a procedure that gave the employer the initiative in determining times, with a second opinion and the possibility of the union going to arbitration.

The development of a standard times system opened the way for a review of the thorny issue of pay. This objective would be reached during the second phase, when the formula was extended to other departments of the Montréal plants.

Phase 2 – Extension of the Formula

Developed in a self-contained environment after the first months of its implementation, the experiment in the fitted sheet department began to draw the attention of the rest of the plant during the last quarter of 1996. That is when the members of the work organization committee, consisting on the management side of the Vice-President of Operations and the Human Resources Director, raised the possibility of setting up modules elsewhere in the plant and the feasibility of setting up a labour adjustment committee to implement the project. Each party worked towards this end by informing its main representatives about the characteristics of the formula.

On the union side, shop stewards and labour representatives on the committee received training in work organization from the Quebec Federation of Labour. On the management side, foremen and their assistants took equivalent training at a community college, the Cégep Édouard-Montpetit. The training was also given to workers in the planned modules.

In October, a summit meeting was held between the labour and management representatives, which was also attended by the owner of the company and the

president of Local 501, who was also Director of the Provincial Council of the United Food and Commercial Workers International Union and Vice-President of the Quebec Federation of Labour. The parties officially agreed to work on a radical change in work organization by extending the modular organization. Three employer and four union representatives visited the Claudel Lingerie company, whose reorganization in 1992 of the entire plant into modules is considered a success. A labour adjustment committee was then set up in December 1996 to spearhead the quality improvement project and a few months later, the modular reorganization. Despite some reticence about the advisability of undertaking the two projects at the same time, the parties decided to go ahead with the project at the start of the next year. After a meeting with all employees at which the principal representatives expressed their commitment and the need for the company to adopt this strategic direction in order to improve productivity and maintain jobs, modules were introduced in the pillow and quilting departments, located in two different plants. The work organization committee was converted into a modular work committee.

Located in the plant where the batting is produced, the pillow department was changed over to a module in the fall of 1997. Consisting of 14 members, including three sewing machine operators, its function was, as its name indicates, to make pillows out of bags full of batting produced in the next department. Each bag is sent to one of the sewing machine operators, who sews the open side, and after the bag undergoes quality control by two operators, it moves on to the end of the module to be packaged and boxed.

The quilting department manufactures quilted bedspreads in a three-step process: filling, quilting and closing. The modular organization was built around these three steps. In the filling module, four or five workers do the preparations, which consist of forwarding to four sub-teams of two workers each the batting and two pieces of fabric, three sides of which have been sewn. The work of the sub-teams is to insert the batting through the open side and pass the product on to the quilting module, where 12 workers, helped by two or three assistants and a machinist, quilt the bedspread to smooth out and hold the batting. Each worker stands in front of a large mechanized sewing table and enters on a computer keyboard the number corresponding to the quilting pattern wanted. Once the operation is launched, the quilting is done mechanically and the worker supervises its progress. Operators intervene frequently to adjust the two pieces of fabric and sometimes to call the machinist when a

piece of equipment breaks down. Once the procedure is completed, the product is forwarded to the closing module. Since the work in the quilting department is divided into two shifts, there are two modules, the day and evening modules. The closing module has two or three sewing machine operators who close the fourth side of the quilted bedspread and four or five folders who package and box the finished product.

Along with the extension of the modular organization came the development of a pay system more in keeping with the new characteristics of work organization within the modules. Since August 1996, workers receive the salary set out in the collective agreement for their position, which corresponds to one of the 14 classifications of the pay grid. With the extension of the modules, the system was modified to include a bonus that was granted and calculated according to two specific conditions. The first condition was that the bonus is granted to members of a module only when the weekly productivity rate exceeds 91 per cent, with the rate being calculated on the basis of the performance of the direct workforce in each module: the quilters (quilting), fillers (batting) and the sewing machine operators (fitted sheets, pillows and closures). What makes this method both distinctive and objective is the presence at each work station of a data logger that counts each unit produced, according to various criteria, providing a measurement of individual productivity.

To use the simplest example, in the case of the fitted sheet module, this approach means that no one will get a bonus if the operators are unable to reach a combined threshold of 91 per cent. Once above this rate, everyone gets a bonus and benefits from the spin-offs of the second condition, which is that once the threshold of 91 per cent has been surpassed, the bonus is based on individual productivity, provided it is higher than 65 per cent. Since productivity is measured according to direct labour, the condition means in reality that this category of worker can receive pay that corresponds exactly to the number of units produced individually. Meanwhile each worker in the other category will receive a bonus based on the module's productivity rate. To return to the above example, if the fitted sheet module attains 100 per cent as a result of a rate of 95 per cent reached by two of the four operators and of 105 per cent reached by the two others, each of the operators will receive a bonus proportional to their individual productivity, while each of the six other members of the module, including the lead hand, will receive an amount based on the group's productivity rate, i.e., 100 per cent.

Near the end of the second phase, three other modules were created in three other departments. Thus, approximately one hundred workers were covered by the new principles, involving all categories combined, and eight modules. The approach was still highly experimental and the parties, assisted by consultants, consolidated the formula by resolving problems such as equipment breakdowns disrupting the crews' operations and resulting in a considerable increase in non-standard time. The experiment was even temporarily interrupted in one of the modules because of the mechanical failure of a conveyor. In addition, it was difficult for some workers to understand how the data logger functioned. Since this device was a key component of the pay calculation system, operating it properly was critical to the establishment of the bonus. In addition, the extension of the modular approach was being done in a context of continuing quality improvement in which the immediate objective was to obtain ISO accreditation.

The results of the work done had to be integrated into the modules and more particularly into the work methods, which led to adjustments and additional learning. Another category of problems was the organization of the modules. In a wide-ranging application, it is not always possible during the planning to identify the optimal combinations of module operating conditions. The most striking example is that of the closing department, where testing alternative combinations for four weeks led to a reorganization of the module, with workers now standing instead of sitting. The reorganization also concerned certain functions, in particular those of the lead hands. In some modules, they complained that they were assigned to too many specific tasks rather than being used as resource persons by the crew members.

To summarize, after almost two years since the first discussions that led to the establishment of the fitted sheet module, the new work organization was gradually extended throughout the Montréal plants. On the whole, it was a positive initiative. Nonetheless, despite the progress made, a more fundamental problem, relating to the make-up of the modules itself, still persists. The approach adopted since the start of the reorganization has tended to divide the modules into two categories of workers, preventing the development of a real team spirit among all the members of each module. The impact is also felt in the pay system, where the employees are divided along the lines of the distribution of the bonus, between direct labour, those who process the product, and indirect labour,

those who perform support tasks. Many of the support workers complain of their lack of independence.

This feeling of inequity is strongest in modules such as fitted sheets, where they are in the majority. This fragmentation is marked on the shop floor level by the development of particular mindsets built around each of these two focal points, blocking the establishment of a real team spirit. For example, mutual help and rotation between workstations mainly takes place within each category, causing some rigidity in the production system and specific problems among workers. Due to fluctuations in the volume of orders, this limitation in rotation and consequently, in multiskilling, means that the company must frequently require overtime, which displeases this part of the workforce, which is basically female, and needs to balance production imperatives and family responsibilities. The need to find a solution to this major problem relating to the make-up of the modules led, in early summer 1998, to the third phase.

Phase 3 – Towards Complete Modular Organization

The parties took advantage of the discussions in preparation for the negotiation of the collective agreement to try to give the modular organization a definitive form. While the process has only been underway for a short time, consisting in part of the modular committee's discussions, nothing has yet been decided. Discussions on complete modular organization appear to be based on the following principles. Each module should be structured around the total manufacturing process of a product. This would have the greatest impact on the quilting department where the three existing modules would be merged into a single module that would include all filling, quilting and closing workers, and would integrate the workers who are involved upstream and downstream, in carrying out the first and last steps in the process. The greatest benefit of this restructuring would be to focus the accountability on the process as a whole and prevent, for example, a delay in the work of the quilters, as is sometimes the case now, because the fillers incorrectly placed the batting in the fabric envelope. Similar adjustments would also be made to the pillows module, by adding the workers who currently prepare the module's work but who are part of the batting manufacturing department.

The second principle is to avoid fragmentation within the modules as much as possible by extending multiskilling to all the positions, making all members

capable of individually handling all the activities carried out in the module. Developing such "modular workers" will be very difficult in some cases, such as in the planned quilting module, where operations are not only more complex but also more numerous. The closer they get to the ideal, the more flexible the production system will be and the more problems relating to the replacement of workers will be eliminated. The process will require many hours of training to standardize skill levels and modifications will have to be made to the pay system to turn it into modular pay, equal for all members, to match the new equality of qualifications within each module.

A third principle is to try to physically lay out the module in a U-shape, and not in a linear fashion as is the case now. This would give a much more organic objective structure to the module and would have an important impact on its functioning, making it easier for members to define themselves as parts of a whole, working on the manufacturing of a specific product.

The Effects of Changes

Overall Effect on the Business

Although it is impossible to measure with any precision the overall changes in productivity throughout the company since the start of the reorganization, data gathered on this subject from each module shows that once the first months spent learning the process have passed, there is a sometimes highly positive change in productivity. The most obvious case is that of the fitted sheet module, the first one introduced in 1996. In the last six months, productivity has increased during each eight-week period from 101 per cent to 107 per cent and then to 114 per cent with a peak of 123 per cent during that period. In one survey in the quilting department, the corresponding figures were 93, 95 and 100 per cent. In the filling section survey and the other quilting section survey, productivity was steady throughout the period, wavering around 101 per cent and 93 per cent respectively. Overall, the results are judged to be quite positive since they exceed the norm by at least 10 per cent in almost every module. The parties are confident that in the others, productivity will similarly increase as the new way of functioning is learned.

Increased workforce accountability reduced the number of accidents which dropped from 96 in 1993 to 81, 60, and to 56 during the next three years. This improvement resulted in a considerable drop in the compensation awarded by the Workers' Compensation

Board, which fell from \$194,163 to \$53,541 during the review period.

The quality of the products has also improved. While not quantified, all parties agree that the company now manufactures better quality products than in the past. They add, however, that the extensive changes currently being introduced as part of the ISO certification project, which was applied for in the fall of 1998 and granted in May 1999, will have an even more significant impact in the coming months. The most immediate spin-off of the quality improvement was to enable the company to retain its largest United States retailer, which represents more than half the manufacturing volume. The emphasis on quality has also had unpredictable effects within the company. The transfer of the Vice-President of Operations from the Montréal plants to the Caraquet mill has led management of that facility to introduce a plan to apply for ISO certification.

With just-in-time management, delivery lead times have shortened appreciably and distributors are more often being supplied within the required time, which means the firm avoids the penalties charged on late deliveries. The most obvious sign of this improvement is the increase in the volume of orders for one of the company's principal products during the last two months. One of the areas in which the changes had a major impact was the exercise of authority in the departments. Although improvements may yet be made, workers consider the progress in this regard to be very positive, compared to the highly authoritarian approach of the past. Since the arrival of the new Human Resources Director in 1996, the number of the foremen has dropped from 20 to 15 and the number of the leadhands has increased from three to ten. One of the objectives of this change is to make the lead hands the artisans of the company's renewal as they progressively evolve from management representatives into resource persons for the work teams.

Effects on Workers

The unionization of workers led to an increase in pay. Moreover, with the establishment of modular organization, the workers involved can, as indicated earlier, improve their pay even more by earning a bonus. In the most productive module, the workers have so far been able to attain a bonus corresponding to an increase of \$80 a week or \$2 per hour. In the other cases, the best results so far involve a bonus corresponding to \$1 per hour for the fill section workers.

As modular organization continues to spread throughout the organization in the coming years, a greater number of workers will benefit from this variable pay supplement. Management and the union have begun to discuss the possibility of establishing pay for workers not included in modules which will take into account the changes in pay of workers who belong to modules.

One of the main objectives of the workers and their union, in becoming involved in the reorganization, is the preservation of jobs. While the workforce has dropped since the first changes were introduced in 1995, it has been largely for two reasons. One is the poor quality of the products, which led one of the company's main United States clients to stop dealing with Wink. This resulted in the immediate layoff of 27 workers. The other is that the efficiency of the modular organization reduced the need for workers. This is all the more noticeable since the company's policy had been to tie its hiring to the almost daily fluctuations in demand. Both parties stress that the profound changes introduced in the company will have beneficial effects on employment. They believe that the modular organization, just-in-time management and quality improvement will lead to an increase in employment in the coming years, and suggest that signs of such an improvement can already be seen in the recent increase in orders for one of the company's main products. This led the company to consider the possibility of creating evening and night shifts in some departments.

The reorganization also had a positive effect on the qualifications and skills of workers. Work rotation and mutual help, even if only within the same module, have nonetheless enabled workers to learn a larger number of tasks. Given the major changes planned, multiskilling will increase even more, eventually extending to the entire module. The skills of workers have also improved with regard to problem-solving. The workers will more often discuss problems in their department among themselves. In some cases, such as in the quilting department, they tried to analyze the causes of mechanical problems with the mechanized sewing table so that they would not need to call on the machinist so often.

Factors in the Introduction and Spin-Offs from Changes

Since the reorganization process began in 1994, the company has substantially modified its operations. It is rather rare to see a company undergo such

upheaval in such a short period of time, especially one with a labour force whose low level of education and high degree of mobility make it an unlikely candidate for such intensive changes. This case confirms the results of growing research on organizational changes where a crisis situation is a key factor in the introduction of major changes when companies radically change their method of operation. Conditions at Wink Industries in 1994 and 1995 can be compared to a crisis situation where management becomes aware, mainly because of profitability problems and its relations with its principal clients, that the only way of improving its position is to overhaul its operations. It is obvious that the possibility of a plant closure and the resulting repercussions on workers had a considerable impact on the type and extent of changes made.

We indicated in the previous section that the results of organizational changes built around quality improvement, just-in-time management and modular organization had, so far, been found to be positive by the parties involved. Everyone agrees, the workers included, that they will be even better in the coming years. The words of the Operations Director, formerly the Human Resources Director, provide a good assessment of the situation:

"It's a bit like a time bomb. We have introduced changes whose effects have barely been felt so far. They will really come into play in a year or so. The results of what we are doing now will benefit the company in the future. I am very optimistic when I think about the company's future."

How were the current and expected benefits obtained? Three factors are most often cited.

- One is labour-management cooperation. We described earlier how the presence of a former union official as senior management representative and of a former International Ladies' Garment Workers' Union representative as United Food and Commercial Workers advisor within the company facilitated collaboration between the parties. This collaboration is obvious in several committees and the daily work on the shop floor. Decisions that directly concern the workers are first discussed by these committees, which have functioned according to the rule of consensus since the beginning. The collaboration is made much easier by the high degree of trust shown by the owner to the Director of Operations, formerly the Director of Human Resources who has a great deal of autonomy and decision-making authority, albeit informal. Since

he sits on all the committees and often moves about the departments, union representatives can talk to him directly and quickly find out management's viewpoint on various issues.

- The other factor is the presence of consultants throughout the reorganization. They first became involved in 1995 when they did a diagnosis of the company and they stayed on for the establishment of the labour adjustment committee, the plans to apply for ISO certification and the modular reorganization. Since the workers were initially very sceptical, the consultants' presence helped them gradually develop a more positive attitude towards the means taken to straighten out the company, according to both management and the union. The consultants were perceived by the workers as neutral participants and thus provided an additional guarantee that the changes being made were for everyone's benefit and not just to help one party.
- The third factor is worker involvement. When the reorganization into modules was announced, workers were divided between scepticism and mistrust. They found it difficult to believe that the employer who had given so little importance to human resources in the past would now be asking them to become one of the driving forces of the company's recovery. Throughout the initial period, their involvement was slow, especially since their low level of education made it difficult for them to quickly reach the demanding requirements of continuing quality improvement objectives and modular reorganization. Even if the great majority of them see modular production mainly as a way of increasing their pay, representatives of both parties unanimously agree that to date, the progress made has been notable and the implementation phase of complete modular organization can be considered with much optimism.

Results of in-house workers survey indicate that most of those who were opposed to the formula at the start of the experiment are now in favour of it, one year later, and often express a desire to get further involved. What may be most significant is that both management and union representatives, and the workers interviewed, recognize that the change in viewpoint has been slow but that the shift to involvement has really taken root during the last six months. They add that the workers' commitment has not only led to positive results, but allowed the implementation of complete modular organization to begin, leading to greater benefits.

EXPERIMENT IN LABOUR-MANAGEMENT PARTNERSHIP INVOLVING BLUE-COLLAR WORKERS AT GAZ MÉTROPOLITAIN

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This case study examines labour-management relations involving blue-collar workers at Gaz Métropolitain from 1965 to 1996. Our analysis highlights the factors that promoted the emergence of a labour-management partnership, which has developed over the past ten years following two decades of fairly stormy labour relations. Our case study ends in 1997 when Hydro-Québec – the major company owned by the provincial government – took over majority control of Gaz Métropolitain.

Our study consists of five parts. In the first, we present an overview of Gaz Métropolitain, the company covered by our study. In the second, we review the labour relations context of blue-collar workers at Gaz Métropolitain during the turbulent period from 1965 to 1982. The third section focusses on the transition period from 1982 to 1984, when a major shift began in labour-management relations as part of a preventive mediation initiative. The fourth part describes the main steps in the building of the labour-management partnership that has characterized relations since 1984 between Gaz Métropolitain management and the union representing the company's blue-collar workers. The final section discusses the conditions that supported and sustained this experiment in radically transforming labour relations. This case study¹ is based on an analysis of data gathered from various sources: union and management documents, minutes of union meetings, and semi-directed interviews conducted with ten union representatives and one management representative in 1995. The information was updated with one employer representative and one union representative early in 1997.

1 — Overview of Gaz Métropolitain

Gaz Métropolitain Limited Partnership, which is controlled through the management company Gaz Métropolitain inc. by the holding company NOVERCO INC., operates an integrated natural gas storage and underground distribution system. The

company's head office is located in Montréal and its operations are managed by 12 regional administrative centres in Quebec. In early 1997, the Crown corporation Hydro-Québec acquired a 41 per cent controlling interest of shares in the holding company Noverco Inc. Hydro-Québec's main partners in managing Gaz Métropolitain are IPL Énergie and Gaz de France, with 32 and 18 per cent respectively of the shares in Noverco. Before Hydro-Québec gained a controlling interest in Noverco, the Government of Quebec exercised majority control over the company through the intermediary Société québécoise d'initiatives pétrolières [Québec Petroleum Operations company] and the Caisse de Dépôt et de Placement du Québec, two public companies that transferred their shares to Hydro-Québec in 1997. Hydro-Québec's other partner in Noverco is the firm Lévesque, Beaubien and Geoffrion, which represents a group of private investors controlling eight per cent of the company's shares.

Gaz Métropolitain's distribution network extends over more than 7,000 kilometres, and the company supplies 95 per cent of the natural gas consumed in Quebec. In 1995, Gaz Métropolitain earned seven per cent of its revenues from the residential sector, 33 per cent from the commercial and institutional sector, and 60 per cent from the industrial sector. Although it holds a virtual monopoly on the distribution of natural gas in Quebec, the company faces competition from other suppliers of residential, commercial and industrial energy, mainly electricity, oil and coal suppliers.

¹ This case study was conducted by Ginette Thériault, a doctoral candidate in industrial relations at the University of Montréal, as part of a research directed by Professor Reynald Bourque, with a grant from Social Sciences and Humanities Research Council, on experiments in union participation in managing work organization involving the Confederation of National Trade Unions' affiliate unions.

Electricity and oil account for most energy consumption in Quebec, with 41.8 and 41.1 per cent respectively of the market in 1993. However, the market share of natural gas has grown considerably over the past 15 years, from 7.7 per cent in 1980 to 16.1 per cent in 1993. From 1993 to 1996, it stabilized at around 16 per cent. To boost its share of Quebec's energy market, Gaz Métropolitain continues to extend its network to reach new customers. In 1993, the company installed 263 kilometres of new line and added 12 municipalities to its network. In 1994, more than 500 new customers joined the network, and from 1995 to 1997, the company invested almost \$160 million to add 628 kilometres of line in six regions of Quebec.

Gaz Métropolitain has improved its financial results over the past ten years. In 1996, the company posted revenues of \$1,150 million and earned a net profit of \$135 million. Operating costs declined by about 15 per cent in 1995. With assets appraised at about \$1,749 million and 1,466 employees in 1996, Gaz Métropolitain is a major economic player in Quebec. The company's regular staff consists of about 450 managers; 460 office staff represented by a union affiliated with the *Fédération des travailleurs du Québec* (FTQ); and close to 550 blue-collar workers assigned to network installation and maintenance, who are members of a union affiliated with the Confederation of National Trade Unions. Staff levels in the blue-collar group remained between 535 and 555 employees from 1984 to 1995, except in 1987 and 1989 when they reached 596 and 575 employees, with the addition of workers from two natural gas distribution companies bought out by Gaz Métropolitain in 1985 and 1986 (Gaz Intercité du Québec and Gaz Provincial Noranda Québec).

2— The Era of Confrontation: 1965-1982

Labour relations with blue-collar workers at Gaz Métropolitain reached a major turning point in 1965 following the formation of a new union affiliated with the Confederation of National Trade Unions, after some 30 years of representation by Local 238 of the International Chemical Workers Union, affiliated with the *Fédération des travailleurs du Québec*. The employees' dissatisfaction with their working conditions, combined with many tensions that had persisted in relations between the local union and the American leadership of the International Chemical Workers Union, contributed to a movement to

challenge the union. The main initiators of this challenge decided to devote their energies during the summer of 1965 to a union organizing campaign aimed at replacing the existing union. After many information meetings, 58 per cent of the workers joined the ranks of the *Syndicat des employés de Gaz Métropolitain inc.*, which was affiliated with the Confederation of National Trade Unions, and the new union was certified in June 1966.

For the ten or so leaders of the campaign that led to a change in union allegiance, this victory provided an opportunity to take control of their union and change their working conditions. From 1966 to 1982, most of the founding members of the union were returned to positions on the union local's executive. In 1966, they made a total commitment to their union, and in a highly unusual development, set up their own strike fund by mortgaging their family home or taking out personal loans. This gave them a solid foundation to back up their demands in the new Confederation of National Trade Unions' first bargaining round with the company.

In the fall of 1966, the Confederation of National Trade Unions' affiliate union started its first round of bargaining for the blue-collar workers' labour contract in a climate of hostility. Management displayed open antagonism toward the Confederation of National Trade Unions, which at the time had a reputation for intransigence. Management refused to deal directly with officers of the union local, and the parties communicated exclusively through their respective lawyers. This cast labour-management relations in an adversarial mould. All renewals of the collective agreement between 1966 and 1982 were punctuated by a strike vote, and during this period, Gaz Métropolitain blue-collar workers engaged in no fewer than 234 days of legal strike action. These legal strikes were supplemented by almost a hundred spontaneous work stoppages, placing Gaz Métropolitain in the top ranks in Quebec for days lost to labour disputes. This grim picture also included intimidation, disciplinary measures and sabotage, which were common practices in relations between the union and Gaz Métropolitain management.

A brief review of the major labour conflicts involving the *Syndicat des employés de Gaz Métropolitain inc.* provides a better understanding of the deterioration in labour-management relations during this period. In November 1966, employees walked out on a strike that lasted 81 days. Pressure tactics proliferated throughout the strike, taking a variety of forms (verbal threats, physical violence, damage to

equipment, etc.). Through the newspapers, the strikers also issued daily warnings of gas leaks and potential explosions. Intervention by Quebec's minister of Labour brought the parties to an agreement, and the strike ended in February 1967. During negotiations in 1969-1970 and 1971-1972, a strike was narrowly avoided after several illegal work stoppages and the intervention of the Labour department's conciliation and mediation service. However, the next round of bargaining early in 1974 resulted in a one-week strike, marked by many acts of violence. Once again, special intervention by the minister of Labour brought an end to the dispute.

A few months after this conflict ended, the accidental death of a member of Syndicat des employés de Gaz Métropolitain inc., working at the LaSalle Coke plant owned by Gaz Métropolitain triggered a union offensive on conditions affecting workplace health and safety. The union drew up a list of 53 contentious points in this area, and the employer quickly introduced corrective measures. The vigilance of Gaz Métropolitain on issues of workplace health and safety helped to slightly ease the hostilities between employees and management. Gaz Métropolitain permanently closed the LaSalle Coke plant in 1977, following expert reports confirming the health risks for employees and nearby residents, should operations continue at this obsolete, polluting production unit. Most of the 244 employees from LaSalle Coke were transferred to blue-collar jobs at Gaz Métropolitain, while 46 took early retirement and 68 others were placed on the call-back list before they were finally added to the permanent staff of Gaz Métropolitain.

However, negotiations to renew the collective agreement continued in a steadily worsening confrontational climate. A six-day strike in 1978, a 21-day strike in 1980 and a long 117-day strike in 1982 did not bode well for better labour relations in the near future. The climate of constant confrontation between union and management at Gaz Métropolitain led to strong government intervention following the 1982 dispute, to set labour-management relations on a new course.

3— The Transitional Period: 1982-1984

In 1982, the Government of Quebec took action on two fronts to improve relations between Gaz Métropolitain and the employees' union affiliated with the Confederation of National Trade Unions: the

minister of Labour managed to convince union leaders to enter into preventive mediation, while the Minister of Industry and Trade imposed a new management team by exercising his authority with the Société québécoise d'initiatives pétrolières [*Québec Petroleum Operations company*] and the Caisse de Dépôt et de Placement du Québec, the two majority shareholders since the early 1970s. Those within government responsible for the company's management urged the new management team to forge new relations with the union, in the hope that with improved labour relations, new methods and approaches could be developed for collective bargaining and problem solving.

The new president hired to control the destiny of Gaz Métropolitain clearly demonstrated his determination to transform social relationships within the company. He made a commitment to promote a non-traditional management philosophy, marking a clear departure from his predecessors. Managers unwilling to adopt the new philosophy were moved or forced out of the company, and a number of middle managers at Gaz Métropolitain left. In addition to renewing management ranks, the company introduced other concrete measures during this period. These consisted primarily of changes to the pension plan, introduction of an employee share-purchase plan, with the first \$3,500 financed through an interest-free loan from the company, and establishment of a problem-solving approach to managing labour relations.

The new management at Gaz Métropolitain succeeded in building a climate of trust with union representatives. The decentralization of power, and the newfound sense of acceptance and respect, were felt at all levels of the company. Union representatives liked the new open attitude and willingly entered into a process of transforming labour relations. The founding members of the union, who still held most positions on the union executive, were tired of the perpetual war with management. Moreover, the last 117-day strike had discouraged many activists and much of the rank and file. The troops were weary, and some members were having problems recovering from the wage losses suffered during this strike.

For his part, the president of Gaz Métropolitain was convinced that the support of the union executive was essential to achieve real change in labour relations, because only the executive could impress upon members the need to change their everyday attitudes and behaviour. The new management team therefore

launched an awareness campaign to convince management staff as well as unionized employees that everyone had a part to play in improving relations between employer and employee representatives, especially by using more respectful language in interpersonal communications. With organizational change under way, the parties decided to become actively involved in preventive mediation early in 1983. This first took the form of a trial initiative. Many union activists remained sceptical about this new approach, but also realized that relations between the parties had reached a stand-off and could not continue as they were; the crisis was too serious. Preventive mediation meetings began on 8 March 1983. The first few days were set aside for meetings between the mediator and the representatives of each party. Following this, several meetings were held with small groups of about 20 people in each organization. The early meetings focussed on discussing views on labour relations, and dealt mainly with human resources management. The meetings ended in mid-June that year.

These many meetings between the mediator, management, the union and employees at various hierarchical levels resulted in a consensus on developing seven proposals contained in the mediator's report. In brief, these involved giving priority to communication, consultation and respect for every employee; promoting "shop floor" decision-making; ensuring continuity in interpretation and application of the collective agreement; and finally, fostering better coordination between the regions, units and departments of Gaz Métropolitain.

The union president played a crucial role in implementing the new directions put forward in the preventive mediation process. He had the ability to influence union representatives and members, so they would support the actions taken to improve the company's management and performance. His leadership was based on solid arguments and on the commanding role he assumed within the union. He attended all meetings and steered discussions and solutions toward what he considered the best interests of the employees and the company. He played an active role in discussing problems and developing the various solutions advocated, and made effective use of his powers of persuasion. With extensive knowledge of the union movement and solid problem-analysis skills, he was able to direct the debate, propose solutions and present arguments where necessary. His unflagging loyalty to the union members and to management, which was confirmed by the

representatives of both parties interviewed for our study, appears to have eased the transition to more cooperative labour relations in the early 1980s.

4— The Era of Partnership: 1984-1996

Since 1984, a climate of trust and cooperation has gradually replaced the reigning atmosphere of confrontation that prevailed from 1966 to 1982. The 1984 renewal of the collective agreement without pressure tactics or a strike marked a first in labour-management relations at Gaz Métropolitain. Nor was any government intervention necessary, although the parties had a long tradition of heavy reliance on conciliators, arbitrators and, ultimately, the minister of Labour to reach an agreement. In November 1986, at the employer's request and after agreement by the union, a new preventive mediation operation was conducted to facilitate the introduction of group leaders in the Appliances Unit. After 16 labour-management meetings and with the assistance of a mediator, the parties reached an agreement stipulating the role of the group leader and the qualifications required for this position.

Since 1984, traditional bargaining has gradually been replaced by continuous negotiation based on new foundations. The five renewals of the collective agreement since 1982 have been achieved without pressure tactics or labour conflicts. These negotiations required seven to 22 days of labour-management meetings over periods ranging from five weeks to six months. By way of comparison, before this era of partnership no round of bargaining was completed in less than nine months, and pressure tactics and strike action were common. Since 1984, negotiations to renew the collective agreement have grown steadily easier and now take place in a climate the parties describe as amicable. Based on the information provided by the parties' representatives, the labour-management partnership was at its strongest some time in the 1990s. In 1990, management began to favour a new approach to collective bargaining: one that was no longer limited to reacting to union demands, but also presented demands to the union. The union is striving to protect the gains won in the collective agreement, but improvements are becoming increasingly difficult to negotiate. In addition, the introduction of new technology is reducing labour requirements, which compromises the negotiations on the union's demands for minimum employment levels.

Since 1984, no formal grievance has been filed by the union, whereas an average of 150 grievances were filed each year from 1966 to 1984. We should note in passing that the bargaining rounds since 1984 have not amended the formal grievance and arbitration procedure stipulated in the collective agreement. The absence of formal grievances certainly does not mean there are no more disputes between the parties, but problems are resolved through discussions between the parties outside the traditional grievance procedure. From 1984 to 1994, 30 to 40 complaints a year were submitted to the union. Most (about two thirds) involved the assignment of overtime. These complaints were settled through a discussion process similar to continuing negotiations. Half the complaints were resolved the same day they were submitted, and one quarter were settled within a week. Continuing negotiations therefore allow problems to be handled as they arise, thus reducing tensions between the parties. The majority of the complaints, which are related to incorrect allocation of overtime, are settled by payment of 50 per cent of the initial claim. The other complaints primarily involve lines of promotion, staff movements, vacation leave and attendance management. The union spends no more than two days a month on meetings with employees and the employer to resolve members' complaints.

Some issues remain contentious and are the subject of regular discussions between the union and management, to avoid a backlog of formal complaints. The most serious disputes involve employee absenteeism, contracting-out, reinstatement of industrial accident victims and challenges of some accident claims by the employer, the work clothing distribution policy and interpretation of some clauses in the collective agreement. For more than 20 years, employee absenteeism has averaged 16 days a year. Management says it is very concerned about this problem, which has proved persistent despite several trial programs to reduce absences. In 1979, a consulting firm was hired to solve the problem, but the proposed measures failed to produce the expected results. Despite attempts to institute new policies in this area, effective solutions have yet to be found.

Contracting-out became a contentious issue in the 1980s, and in 1987, an agreement was reached to limit the use of contracting-out for work that could be performed by Gaz Métropolitain employees. The union regularly tours work sites to interrupt certain work and then make the necessary claims. All union members are asked to watch out for subcontractors; union representatives consider this necessary to protect

unionized blue-collar jobs at Gaz Métropolitain. A labour-management committee has been set up and formal rules have been established to discuss contracting-out proposals and to limit the use of subcontractors as much as possible. Similarly, to reduce the tensions caused by control over distribution of work clothes, the parties had to develop a rating grid based on individual needs and the work performed, new safety standards and the options available from suppliers. Gaz Métropolitain employees are also affected by new social realities that sometimes cause problems in interpreting the collective agreement, for example, the increasing popularity of common-law relationships, children born out of wedlock, and recently established common-law relationships. To avoid problems, the parties seek agreement on new interpretations of family leave clauses that do not favour some categories of employees over others.

Under the system of continuing negotiations, with five union officers available full-time each day, there are few joint committees. Members of the union executive on full-time union leave promptly resolve most problems that arise on a daily basis. We should point out that work reorganization, and especially the decentralization of operations centres, requires lengthy discussions and consultations with the employees involved. Work reorganization and training are the main focus of continuing negotiations.

Since 1984, many changes have been made to the organization of work. The reorganization of network maintenance work began in 1985 with development of a plan to rationalize operations, including gradual staff reductions through attrition. From 1985 to 1995, the work force in this area dropped from 234 to 148 employees. From 1991 to 1995, multi-skilled teams were introduced in the network maintenance area and the parties set up a training program and trades promotion plan so employees could acquire the skills and qualifications they need to be versatile. Each team consists of three members, two maintenance employees and one network technician, who heads the team. Team responsibilities include determination and distribution of duties, service quality control and improvement, assessment of team training needs, establishment of direct contacts with the supplier or customer unit, and settlement of disputes within the team.

Following introduction of the multi-skilling approach to network maintenance in 1990, other trades twinning projects were implemented in the meter shop in 1992,

and in building maintenance and the welding shop in 1993. Since 1984, about 40 employees in the welding, heavy equipment and meter departments have voluntarily adopted a job rotation system. Job expansion and enrichment programs accompanied the organizational changes introduced in the network maintenance, heavy equipment and welding shop areas.

Decentralization of Gaz Métropolitain operations began in 1985 with the takeover of Gaz Intercité, which operated mainly in the Québec City region. Gaz Métropolitain then set up two new operating centres in the area surrounding Montréal, first in Montérégie and then in Laval. In 1992 and 1993, four service satellite offices were created in the metropolitan area, and some of the blue-collar workers assigned to the main facility were transferred to these new centres. This decentralization of operations was designed to move employees closer to the customers they serve. The main reason for setting up satellite offices throughout the metropolitan area was to respond faster to customer requests. When a telephone request is received, the employee can now proceed directly to the customer's location without having to report to the office. This provides faster service and reduces travel time, especially during rush hours. The reorganization of work resulting from the introduction of satellite offices required numerous labour-management meetings and several meetings between the union executive and the rank and file.

5— Discussion and Conclusion

Labour relations with blue-collar workers at Gaz Métropolitain have undergone radical change over the past three decades. From 1965 to 1982, labour-management relations became bogged down after a series of labour disputes that grew more and more acrimonious. Relations reached a low point in 1982 with a strike that lasted 117 days. The acute crisis in labour relations led the parties to ask themselves how they could improve the situation. The government played a key role in this shift by imposing a new management team and urging the parties to take part in preventive mediation. This approach introduced both sides to new methods of collective bargaining and different ways of resolving daily problems related to managing the company and its human resources. Continuing negotiations are now combined with specific negotiations to renew the collective

agreement. Although the collective agreement's grievance and arbitration procedures have remained unchanged since 1984, they have given way to an informal problem-solving process, which has proven much more effective. Complaints are resolved faster and at a lower cost, and this assists in building a better work climate. Daily problems in the workplace are resolved by union officers who are granted full-time union leave, and bargaining to renew the collective agreement becomes a secondary activity that requires progressively less time of both the union and management. Negotiating time is limited, to allow periods for consultation and information sharing between formal labour-management bargaining sessions. An open approach and discussion of problems have replaced bluffing and threats at the bargaining table. These new practices have helped consolidate a labour-management partnership based on openness and mutual trust.

What conditions created and sustained this remarkable turnaround in labour-management relations at Gaz Métropolitain, after some 15 years of rancorous confrontation? Although various elements are involved, and all players within the company must be focussed on a single goal to achieve such a result, the turnaround can be attributed primarily to a redefinition of union and management strategies and a stated willingness by the parties to improve their relations.

Some of the organizational practices of the Syndicat des employés de Gaz Métropolitain inc., which represents the blue-collar workers at Gaz Métropolitain, facilitated the shift in union focus. The union is characterized by a fairly centralized power structure headed by an executive committee. The union council is small and there is a high degree of integration of the various levels of internal union government. The fact that the five officers assigned full-time to union activities share the same office in the company's main building strengthens internal cohesiveness. The union's leadership is founded on professionalism and recognized expertise, embodied by the officer who was president of the union without interruption from 1975 to 1994. The union's executive committee is very stable, and some officers have been returned more than ten times for a two-year term. Officers are regularly elected by acclamation, as no member runs against the incumbent officer. Attendance at union meetings is low, except at meetings to elect representatives to the union council and at departmental meetings on work reorganization.

The union members interviewed for our study voiced confidence in their representatives, who carry out their duties effectively.

The Syndicat des employés de Gaz Métropolitain inc. has been affiliated with the Fédération des employés et employées des services publics in the Confederation of National Trade Unions since it was founded in 1965. However, it rarely uses the services of this federation. In collective bargaining, it is not the Fédération des employés et employées des services publics representative but the president of the union who is the union spokesperson and leads the bargaining with management. Since 1983, both parties have used the same negotiators, who are very familiar with the company, the administrative machinery and the conditions in which work is performed. The union executive also makes little use of the services of the Conseil central de Montréal métropolitain to defend industrial accident victims, because, here again, it is the union officers who fulfil the role of defending members. The Syndicat des employés de Gaz Métropolitain inc. is thus a union with very broad freedom of action.

On the employer's side, the arrival of a new management team in 1982 opened the way for major organizational changes, in terms of both communications with employees and empowerment of the various hierarchical levels within the company. The new management team's active commitment to the preventive mediation process and the steps they took to involve the union in daily management of the company contributed to the gradual establishment of mutual trust. The union's active involvement in managing the company – following labour-management consultations and trial projects that in most cases were submitted to employees for approval before they were permanently implemented – facilitated the introduction of new forms of work organization throughout the main departments. It required many meetings to win all the managers over to this new management philosophy of working in partnership with the union. The new philosophy encountered some resistance, especially from middle managers threatened by the delayering of the organization.

The representatives of both parties interviewed for this study acknowledged the central role played by the Government of Quebec in redirecting labour-management relations involving blue-collar workers at Gaz Métropolitain. Not only was the government's intervention decisive in appointing a new management team in 1982, but the preventive negotiation initiative encouraged by the Quebec labour department also laid the groundwork for labour-management cooperation. We can therefore say that the government's action served as the catalyst for establishing a labour-management partnership with blue-collar workers at Gaz Métropolitain. However, this partnership never would have stood the test of time without a genuine, sustained commitment by the company's executives and union leaders over the past decade.

In conclusion, we can attribute the success of labour-management cooperation on organizational change to a combination of factors. The six most important are:

- a realization by both parties that a **genuine crisis** was blocking relations and preventing change;
- the **pressure** exerted by the government on management and the union;
- the appointment of a **company president** who was concerned with establishing good relations with the union and an open approach at all levels of management;
- the appointment of **seasoned mediators** as part of the preventive mediation process, to help the parties establish a climate of mutual trust;
- an **experienced union committee** headed by a charismatic president whose credibility was acknowledged by all the players;
- the introduction of **bargaining** based on new approaches and new social practices, and combining continuous negotiations to settle routine problems with specific negotiations to renew the collective agreement.

THE GREAT LITTLE BOX COMPANY

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The Great Little Box Company produces corrugated shipping boxes and packaging materials for manufacturers and retailers in various industries. Their business mainly covers the province of British Columbia and part of the state of Washington. The company currently employs about 100 people and is not unionized.

The company was established in the early 1980's, struggled in the early years, and nearly went into receivership. Under the leadership of its owner, Mr. Meggy, from 1982 to 1995, it was turned around into one of the 50 best managed private companies in Canada.

The Great Little Box Company strives to provide excellent service quality to its customers. Mr. Meggy, the President of the company, recognizes that his strongest assets are his employees. Unless his employees are capable and willing to ensure service quality, company goals are difficult to reach. The people-focused culture in the company encourages employees to take initiatives to complete required tasks. The company runs a reverse pyramid where people at the top are servicing those at the bottom because experienced people do not need to be told what to do. Supervisors are there to help, not to instruct. If people are happy, they will stay a lot longer. They will voluntarily do the work that needs to be done.

Ingredients for Success

Recruitment Practices

Recruitment brings new employees to the company. Productive employees bring profits while "misfit" employees cost the company. Three criteria are critical in the hiring process: What the applicants can do, what the applicants will do, and will they fit into the company's culture? The "can do" criterion relates to the educational background, competencies, abilities and the business experience required for the position.

Second, the "will do" criterion refers to whether the applicants have the energy and the motivation to be successful in the job. The company's personnel rely heavily on thorough reference checking. They strongly believe that what happened in the past will predict what will happen in the future. The company has a four-page reference checking form full of specific questions to reduce the chance of receiving over-estimated, cover-up, or over-generalized comments. For instance: How does this person get along with other employees? How does this person get along with supervisors? Did this person demonstrate creativity, initiative? What was the biggest contribution made by this employee? The company requires at least two references and checks very carefully to make sure no gaps are hidden in the resumes.

The third element is "fit". People who fit into the company culture will stay longer with the company. Mr. Meggy focuses on personality and value matches. The company will interview an employee eight or nine times before hiring them. His rationale is that good employees will bring three times their income while poor employees will cost the same. A good match is worth more. Making decisions with potential for either high profit or loss deserves more time and thinking. Each hiring decision is viewed as a major investment.

In addition, the multiple rounds of interviews with various personnel in the company tend to bring out the true self of the applicants and reveal whether they could work with other employees comfortably. The company started this process four years ago and it has made a significant difference in their turnover rate and productivity.

Social Functions

The company has organized social events since Mr. Meggy bought the company in the early 1980's. He wanted to make sure that the company is a good place to work. The company organizes golf

tournaments for staff and Christmas parties for their children. The president will personally find out what the parents want for this party and spend about \$50 per present. Employees take turns dressing as Santa Claus every year.

Social functions provide opportunities for employees to interact with their colleagues across levels and departments, enhancing communication. Mr. Meggy believes that employees who do not go to these functions have an 80 per cent chance of leaving within a year. If they are not interested in these events, they are not interested in the company and its people, then they may not fit into the organizational culture and therefore may not stay.

Recognition

The company holds an employee of the month program in which employees nominate their colleagues for things that they have done exceptionally well. All nominated employees receive gift certificates and the "employee of the month" receives a special sweater. The company will invite all "employees of the month" to dinner every year. An "Employee of the Month" sign, with the names of the elected employees, is put in the open area of the office.

The nomination is to recognize their performance above and beyond expectations which, according to Mr. Meggy, is more motivating than pay. The award indicates management's desire to thank employees for what they have done.

Profit Sharing

Employees are informed about the monthly sales and profits (or losses). Every month, the company has a meeting with all employees to review the numbers and review the mission statements. Every quarter, Mr. Meggy will meet with all employees in small groups across sections for an hour to review company progress.

The company established a profit-sharing plan for all employees: 15 per cent of the monthly profit is paid back to employees every month. All employees, regardless of their current pay and position, will receive the **same** amount of bonus because all of them contribute to the profits. Complex systems, such as linkage to pay or seniority, do not work because of perceived unfairness. In addition, the payout is closely linked to results in a timely fashion.

Big Adagios Goal Program

The company started the program two years ago, which is a challenging profit level set by the company. If the company meets these challenging goals, it will bring all its employees to a specified location. Last year, the company paid an all-inclusive trip for all employees to Las Vegas for three days. This activity was believed to enhance employee morale and organizational cohesiveness.

Fairness

The company wants to ensure that employees are fairly paid all the time. Employees also want job security and advancement. The company always posts jobs internally before going outside. The company also pays employees for skill upgrade courses taken.

Regular Feedback

Every month, supervisors will review employees' performance and discuss individual goals. There is a formal appraisal for each employee every year, however, it is not related to pay. They have a cost-of-living review every year. When employees know more about their positions, they are worth more to the company. As a result, their pay increases.

Outcomes of Implementing these human resource practices

- *Low turnover.* Recruiting and training new people are costly. By lowering the turnover rate, the company benefits from lower training costs. In addition, a stable work force allows better communication and cooperation.
- *Good people.* Through careful selection of people who embrace the culture, the work force works together more smoothly. Together with a trusting and team-oriented environment, and access to company sales data, employees do not need to be closely supervised and are willing to put their efforts to ensure the quality of their work. In other words, productivity, service quality, and profitability are enhanced.
- The company has received a number of letters of appreciation and many pages of thank-you notes from customers over the past five years.

- The company was selected by Arthur Anderson, a well-known consulting firm, as one of the 50 best managed private companies in Canada in 1992.
- In a time of economic downturns and downsizing, the company had plans for expansion.

Key Success Factors

It is important for management to treat their employees well. As Mr. Meggy puts it: "People are the number one asset". Trust employees and treat them properly. Without the cooperation, willingness and commitment of employees, the company would not be able to provide the service quality that it promises.

The company measures many aspects of their business : competitors' activities; customers' satisfaction; financial statements. For instance, the company processes customer surveys every year, checks competitors' pricing, and measures sales people's number of cold calls and orders. These data provide bases for recognizing where and how improvements can be made. In addition, informing employees about the financial position and rewarding them for profitability increases morale and cohesiveness.

The company has a good strategic plan. Due to the competitive nature of the business, the company needs to be focussed in a niche. Mr. Meggy chooses service quality, "if we make a mistake with an order, we correct it and solve it to the customers' satisfaction, we then send a letter of apology together with a gift certificate. This separates us from others. This builds a reputation of being responsible. Since our products are almost like a commodity, we need to build our market niche – customer service and strategic planning". Regular reviews by management and the employees of these plans are also important to ensure mutual understanding and focus on continuous improvement.

Pitfalls to Avoid

Two areas are worth paying attention. In every small company, management needs to balance all three functions: production, administration and sales/marketing. If one area falls behind, regardless of how good the others are, the company cannot survive.

Second, management needs to budget the operations, in particular, the cashflow. It is difficult to raise capital, therefore, it is better to follow conservative estimates to ensure survival.

The mission statement and general direction:

- Be recognized as a major force in our industry, by expanding our product and business base with initiative and creativity.
- Be "Number One" for service in the market we serve by meeting or exceeding external and internal customers' expectations. Develop and maintain mutually beneficial partnership with suppliers. Deliver quality packaging solutions.
- In so doing, increase the value of the company, provide our employees a safe, secure, and rewarding place of employment.

Conclusion

The simple but effective human resource practices of the Great Little Box Company create a cohesive and willing work force which strive for service quality and company success. The team-based and trusting organizational culture, together with fair treatment of employees, are important factors why the company was selected as one of the 50 best managed private companies in Canada.

TECH CHANGE: A "BEST PRACTICES" GUIDE PROJECT FOR THE CLOTHING AND TEXTILE INDUSTRIES BY THE CANADIAN OFFICE OF THE UNION OF NEEDLETRADES, INDUSTRIAL AND TEXTILE EMPLOYEES

*Debora De Angelis, Project Coordinator
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Canadian clothing and textile workplaces are in the midst of rapid change. Often considered "sunset" industries, both clothing and textile have actually grown in terms of jobs, shipments and exports since 1996. The clothing industry alone accounts for annual sales of over \$6 billion and employs over 100,000 employees. It is Canada's eighth largest provider of manufacturing jobs. The textile industry has become increasingly globalized with exports surging from 10.9 per cent in 1989 to 28.3 per cent in 1996. The textile industry employs more than 56,000 employees and has annual shipments of over \$8.7 billion.

The Best "Practices" Project

The project was launched by the Canadian office of the Union of Needletrades, Industrial and Textile Employees in May 1998. The goals for the project were: to develop a guide that will help those involved in the implementation of technology and to help the parties explore together the key issues involved in planning, designing, implementing, monitoring and evaluating the change process for the benefit of an organization and its workers. The end products of the project are nine case studies and the guide, entitled *Tech Change: A "Best Practices" Guide for the Clothing and Textile Industries*. Two of the case studies involved with this project are reported later: *Western Glove Works Ltd.* and *Golden Brand Clothing (Canada) Ltd.*

The project had three stages. In the first stage all available material on the Canadian clothing and textile industries was collected from sources such as industrial journals, academic studies, government reports and interviews with industry experts. In the second stage, the project coordinator toured nine major clothing and textile plants across Canada. Management and union members were interviewed for these nine case studies and the process of the implementation of technology was investigated. The final stage involved developing the "Best Practices" guide. This guide contains many opinions and views expressed by union members and representatives, management and industry representatives that were interviewed for the project.

Assessment of How the Joint Labour-Management Interactive Process Contributed to the Success of the Project

The joint labour-management process played an important role in this project. It provided the project coordinator with the opportunity to meet with management and union members without any animosity or resentment from either side. In doing so, the project proceeded in an atmosphere of trust and open communication. It provided both parties, some of whom may have been reluctant, the opportunity to participate in such a meaningful project.

It was important to have both parties participating in this project to gain an accurate picture of the process of implementing technology at each site. Feedback from both parties was essential for this project to be a success. During the entire process, from the interviews, to the case studies, to preparing the guide, continual feedback was collected from management and members which helped shape the end products.

Lessons Learned

This project has helped management and employees to understand the necessity of dialogue on the implementation of innovations in the workplace. The other important lesson is that management and members have to work together if they want to see successes when implementing technology. The goals and aspirations of both workplace parties must be recognized and addressed.

The case studies were vital to the success of this project. They demonstrated what worked and what did not work when implementing technology. The project coordinator was able to investigate the results of these studies and then ensure that the methods which worked were included in the guide.

**The Guide: A Valuable Tool
for Implementing Change in Workplaces
of the Clothing and Textile Industry**

Tech Change: A "Best Practices" Guide for the Clothing and Textile Industries was used as the basis of an education module which was piloted February 26, 1999, in Cambridge, Ontario, at a union's "stewards training course." The session was successful and demonstrated the need for such a tool in the workplace. This pilot demonstrated the need for training on the issue of technological innovations in the workplace. The fact that management participated in this overall project offered credibility to the final product.

The guide outlined a four step process for implementing technological change. The first step investigates what motivates change in workplace. The second step helps the parties to investigate the barriers to find a common ground. The third step includes ten elements in implementing technology successfully. The fourth step deals with post implementation. The guide also includes sample contract language, and the Union's "Guidelines for Local Union Participation in Work Reorganization", which provide a criterion for the union's locals representing members in the new world of work.

The guide has been designed to be read and understood easily, to encourage and enable other members to participate in change.

The guide's four step outline allows each individual workplace to work at their own pace through a successful implementation of technology. It also includes checklists, to assist participants in tracking their progress.

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Western Glove Works Ltd.

Western Glove Works Ltd. is a manufacturer of jeans and jean products in Winnipeg, Manitoba. Western Glove has two plants in Winnipeg and employs 800 workers. Of these 800 workers, 220 are members of Union of Needletrades, Industrial and Textile Employees, Local 459. In this case study plant, 90 per cent of the workers were female and the languages spoken include many of the Asian and Eastern European languages. Language barriers exist, however the company, union and the Government of Canada have jointly sponsored programs for the last four years

to reduce language barriers. The union's Learning Experience Center offers English as a second language course for members.

The market for jeans and jean products has changed drastically in the past 25 years. Not only are the materials and styles constantly changing and requiring workers to adapt, but according to the company's President, Bob Silver,

"Everything has become more demanding. The marketplace is more demanding, competition is

more intense and returns are lower. Technology is a tool to mitigate some of the difficulty. Technology is one of the few tools that developed countries have, to compete with underdeveloped countries' wage advantage."

New Technology and the Implementation Process

Western Glove Works Ltd. is a company that is constantly introducing changes in both work processes and technologies. In 1997, the company introduced an automated cutting machine. As a result, the demand for cutters, went from ten to three. Seven workers were displaced because of the new cutting machine. However, the company did not terminate these workers, but chose to keep them. "Sometimes a company introduces technology not only to be more efficient but also to allow growth," says President, Bob Silver. The company chose to use these employees in some aspect of their growth. There were openings in the laundry area, and the employees were offered jobs there. Some of the employees decided to take this opportunity. The company met with these employees, and promised them that even if their wages would decrease as a result of adapting to the job, the company would guarantee their previous wages for a year.

In the last three years, 30 per cent of all the changes that were introduced were in the sewing area. This was a direct result of Western Glove Works Ltd. having hired an engineer consultant working full-time with the director of Operations. There has been a move from the existing operation to one that utilizes all automated sewing equipment. One of the biggest changes in work process was moving from a sitting position to a standing position.

Making Technology Successful

In the view of management at Western Glove Works Ltd., in order to make the implementation of technology successful, there is a need to have openness among the workers and the company.

"Have to accept that by standing still, someone passes you. You cannot stand still, because the second you do, you are finished. Workers have to understand this, that change is necessary in order for survival," expressed President, Bob Silver.

There are risks involved with technology and there is an element to recognize that decisions in technology are likely to be wrong as many times as they are right. But according to Bob Silver, "companies have to accept this and make the changes even when they are wrong and keep going", learning from these situations.

Acceptance of the change from both parties is crucial. "Employees and management must accept the change and work on an equal basis and with basic understanding," says Director of Operations, Andy Onofrechuck.

According to the union's Local 459 Manager, Greg Maruca, "companies have to realize that workers have something to say, some value to add, as to how change should take place." In many apparel manufacturing workplaces, many of the workers are newly immigrated to Canada and lack the language skills to communicate. "Companies have to provide their workforce with the tools to participate more fully in workplace discussions. This would include providing their workers with English language skills." Education is an important element in making the implementation of technology or work reorganization successful.

According to the workers who were interviewed, cooperation is essential in order for the introduction of technology to be successful, as well as education. "Educating the workers is necessary because there are many immigrants. They cannot yet express what they want and because of technology, you can no longer just sit down and sew. We have to be on a level playing field," says Tiena Warkentin, a member of Local 459.

What Are the Barriers?

According to management representatives interviewed, the major barrier for a successful introduction of technology is union members who do not readily accept the notion that if you offer a suggestion, it is a good thing. When management was asked how to eliminate the pitfalls of the introduction of technology, they answered that it was crucial to take the word 'blame' out of the equation.

"If the word blame is in the equation, you have failed even before you start. Approach it as a team, work it as a team, enjoy it as an accomplishment if the implementation of technology is successful or share the failure as a team. If you don't do this, you will fail."

For workers the difficult element to overcome was the fear of change, the fear of technology. But it goes beyond merely fear of change. Workers have in the past seen their co-workers lose their jobs because of technology. Therefore, technology to many workers means jobs losses. This is what scares workers about technology.

"Fear of a computer, fear of not being intelligent enough, fear of the unknown. There is also the fear that the machine will replace them, which is always the biggest fear. And as a company, we cannot guarantee jobs," says Bob Silver.

Skills, Training and Wages

With the introduction of technology there is an increase in training. Automated equipment requires a couple of days for an operator to be trained; a little more time than was previously used with standard non-automated machines. "What is required with the new automated machines is a deeper understanding of technology. A lot of the machines are programmable so this is an additional process that has to be taught to the operator. An understanding of the English language is required with the new technology more than in the past," explains Andy Onofrechuck.

Although training is increasing, the skills workers are learning are directly related to the new technology. Andy Onofrechuck explains how technology has made work easier for workers, "the machines are programmed for the operators and they know exactly how many units they can produce per day. Everything is pre-cycled. All the operator has to do is the unloading and the loading. Everything is programmed and everything else is controlled for them. Their earnings to date are more consistent and better than they have been in the past, prior to the introduction of the new work processes and technology."

How Have Workers Felt About the Technology?

Change is difficult for everyone and for the first time around, it is hard for workers to accept the change. At Western Glove Works Ltd., they understand this and try to work around the change by making it

possible for the engineer consultant to show the operators the possibilities of the new technology. The company also encourages the operators to offer their input on the new technology. Even though the machines are automated, operators still have an opportunity to offer their ideas and input about the new technology.

The workers interviewed expressed their positive aspirations for technology. "I would like a new technological machine anytime," although they did voice their concern that they would like their input heard, as Christine Bernacki explains,

"If I get introduced to a new machine, and I find a drawback, I would like to voice it. I would like to have input, and if I have any suggestions, I would like them to listen to them and hear them. I would also like feedback on my suggestions."

Forging the Future: A Team Approach

In August 1997, Greg Maruca, Manager of Union of Needletrades, Industrial and Textile Employees, Winnipeg Joint Council, approached the company with the following observations. He had recognized existing problems within the jacket unit relating to utilization of the unit, the inadequacy of conventional approaches to individual incentives because of the extreme impact of style changes on individual productivity, the reduced potential for incentive bonus earning, and generally low morale conditions within the unit. The employer recognized that there was a problem. Bob Silver explains,

"we're not happy with what's going on there. In the piecework system, I am the happiest when they are making the most amount of money. So I say to Greg, we both have the same problem. The traditional thing to do is to raise the piece rates, but Greg didn't say that. The right attitude is to realize we both have a problem and work out the solution."

Working out the solution involves the development of a team manufacturing system and quick response unit. This is the next step at Western Glove Works Ltd. and results will be reported at a later date.

"The company cannot succeed and people fail. The union cannot succeed and have either two fail. Either we all do this together or somewhere in some country in the world someone else will take our business."

Bob Silver, President of Western Glove Works Ltd.

Golden Brand Clothing (Canada) Ltd.

Golden Brand Clothing (Canada) Ltd. is a manufacturer of fine suits in Montréal, Quebec. The suits are sold in Moore's stores throughout Canada and a portion is exported to the United States. Currently, Golden Brand Clothing (Canada) Ltd. employs 950 employees with 900 being members of the Union of Needletrades, Industrial and Textile Employees. The majority of the workers at Golden Brand Clothing are females, making up 78 per cent of the workers. The main languages spoken at the plant among the workers are French, Italian, Spanish, Portuguese, Vietnamese, and Chinese. Although the majority of the workers speak at least one of the official languages of Canada, there are a few who do not and therefore have language barriers when communicating with other workers or with management.

Golden Brand Clothing (Canada) Ltd. has implemented and introduced many changes in technology and work reorganization and they have been able to boast many successes in demonstrating that technological changes and work reorganization does not always result in a loss of jobs. In the past ten years, the company has never had to terminate employees affected by technology and work reorganization. They have been able to find them other positions within the company.

The apparel industry has seen a lot of changes in the past ten years. Golden Brand Clothing has continually made changes in work processes and technology to keep up with the changing industry. Yunus Calcuttawala, a Presser, and Shop Steward of union Local 2582 for the Jacket Department, has been with the company since 1983. He describes why technology is necessary, "Canadian companies are trying to reduce the costs and be cost effective. Plus, demand has increased. I've always believed in technological changes because we have to be competitive all around the world. We have to compete against Mexico, India, Taiwan and China, just to mention a few."

In 1986, the company implemented a Gerber cutting machine. Previously, automated cutters had been used only in the manufacturing of shoes and pants. This was the first company to use automated cutters on

jackets. There has also been a change in the method sleeves are sewn. In the last couple of years, a new "pressing arm" machine has been introduced, which is a computerized pressing machine that almost eliminates all manual work involved in pressing the sleeve, lapel and shoulder pads of a jacket. This technological change affects 14 pressers. The new technology now only requires four pressers, which means that ten individuals will lose their jobs as pressers. The company and the union are working together to find other jobs within the company for these workers.

The Process of Implementing New Technology

The collective agreement between Golden Brand Clothing (Canada) Ltd. and Union of Needletrades, Industrial Textile Employees sets out the process in which technology is introduced within the company.¹ Natale Caruso, Manager for the Pant Shop, says "as soon as we see a new machine or have a new idea, we like to inform the union of the technological change that is going to happen." According to the collective agreement, where a company decides to introduce technological change which will affect the level of employment or the level of wages, the company will give the union a reasonable written notice. Written notice must be provided three months before the change is to be implemented. This letter explains the changes and the workers which will be affected by the change. During the three month period, the company and the union meet to discuss the changes and repercussions. As well, the operators that will be affected by the change are informed by the company as to why the changes are necessary. When it is possible, the union is shown the machine in advance. The seniority list is used to decide who will be operating the new machine. Training is provided for those affected.

Yunus Calcuttawala is not totally convinced that three months is enough advance notice to inform the union of technological changes. He believes the union should be given more notice especially if workers will be displaced from their current positions.

¹ Agreement between: Associated Clothing Manufacturers of the Province of Quebec, Inc.; and Montréal Clothing Contractors Association Inc.; and The Quebec Council of Odd Pants Employers; and Rainwear & Sportwear Manufacturers Association; and The Canadian Trimmings Manufacturers Associations and Montréal Joint Board, Union of Needletrades, Industrial and Textile Employees (QFL-CLC).

Francesco Franco, Plant Manager, states the importance of including the union in the process of implementing technology or work reorganization, "we have to work together as a team. This is the only way to survive today." He also had the following to say about the importance of thoroughly informing employees who will be affected by change:

"Years ago, people were not treated as human beings. Today it is different. Talk to them, and they will understand. Here at Golden Brand we have 42 or 43 different nationalities and if the employees do not understand us, we get a translator in here. Our objectives are clear, we have to work together, because if we fight we will never get anywhere."

"I've worked with the company for ten years and I've been involved in many technological changes and as far as I can remember no one lost their job," explains Natale Caruso, and this is a big selling point for the workers at Golden Brand Clothing.

Making Changes in Technology Successful

Golden Brand Clothing has had many successes with implementing technology and work reorganization. According to Francesco Franco, in order for technology or work reorganization to be successful, "you have to first convince yourself." Company leadership, staff and management have to first be convinced that the change in technology and or work reorganization is for the best of the company. Often, it is difficult for many individuals in a company, including staff, to accept the changes in technology or work reorganization, but without their support, the changes may not be successful.

According to Yunus Calcuttawala, the success of the implementation of technology or work reorganization, "depends on the people who are going to use the technology. The machine can only do so much. If people are satisfied and they do not fear for their jobs, there will be a willingness for change." Yunus Calcuttawala also thought that cooperation between the company and the union are crucial.

"The relationship between Union of Needletrades, Industrial Textile Employees and Golden Brand has always been good. We understand the company's problem and the company understands our problems. We as the union, we

don't want them (Golden Brand) to run the shop our way, but the right way. Not their way, not our way, but the right way."

The Barriers

"There are many barriers to the implementation of technology and or work reorganization, but as a company you have to overcome them in order to be successful," says Francesco Franco. One of the barriers to change is the negativity that employees feel toward it. This often hampers the success of the technology. According to Francesco Franco, you have to get beyond the fear, and at Golden Brand they overcome this barrier with information. "Often employees fear change because they do not have enough information, or the information given is incorrect. You have to convince your employees about the benefits of technological change."

Another barrier is lack of cooperation says Natale Caruso. "Sometimes the operators do not want to cooperate because they do not want or like the new technology, or maybe they fear the company wants to lay them off."

"The barrier to a successful implementation of technology or work reorganization is a danger of lost jobs or reduced wages. This makes our job as union stewards much more difficult to convince our members that technological change is necessary," says Yunus Calcuttawala. Barriers can be overcome and according to him, "we have to negotiate with management and try to get the best deal we can. When wages are affected, as a union, we have to protect our members and their salary. When members know that changes in technology do not necessarily mean job loss, and that there will be an effort from both the company and the union to ensure that their jobs are not lost and that wages remain stable, workers are more positive towards technological changes."

Time Adjusting to New Technology

According to Francesco Franco, "workers have difficulty adjusting to new technology. New machines and work processes take time to adapt to. But don't make any assumptions on age." Francesco Franco's example is a 64 year old worker, who was trained on the new technology because she had seniority in the operation. Everyone thought that the worker wasn't going to be successful on a computerized machine since she had worked on a manual machine all of her

life. "She is more productive on this new machine than any other operator, even the younger 20 year olds!"

Changing Skills

"Skills have decreased. Even if you wanted, you wouldn't be able to find a tailor anymore, so there was a need to deskill," says Francesco Franco.

"Or like the button machine. You need less skill because it now drops the buttons into place, lines them up and sews them down, all work that was previously done by workers. With the button machine, less skill is needed but more agility and strength in hands and shoulders are needed," says Natale Caruso.

Fear: A Natural First Reaction

Although the first reaction that anyone had to change is fear, the employees feel positive about the changes in technology and work. The continuance of support for new technology will depend on the constructive relationship that the company has with the union and its employees, and its track record. "We are for tech changes as long as jobs, and wages are not affected," says Yunus Calcuttawala.

Worker Input

Often workers are the ones who know the most about the way their machines work because they use them every day. So it is not surprising to hear, "We want management to listen to our input. We know that the final decision is theirs, but we want them to listen. Sometimes they do not want to listen, other times they do," explains Yunus Calcuttawala. At Golden Brand Clothing, workers do not have a formal role in the changes to technology and workers would like a more direct role on decisions made about technology.

The Labour-Management Relationship

Although neither Union of Needletrades, Industrial Textile Employees nor Golden Brand Clothing (Canada) Ltd. called their relationship a "partnership" it became quite obvious that their relationship was better than most companies that actually describe their relationship as a "partnership". According to Yunus Calcuttawala, "we have our differences, but most of the time we are able to work out our differences. For example, to my knowledge, in the last 15 years we have had to go to arbitration only two times, that's a pretty good record."

What is Tech Change?

People usually associate "tech change" with new machinery or equipment. But technological change also refers to new methods of production, changes to the way that work is organized, new products and new management systems. These interrelated forms of technological change have all been taking place in the clothing and textile industries over the last 10 to 15 years.

The term "work reorganization" is often used to describe the change process. This term refers to changes in job design, organizational structure (for example: shifting workers into teams), the way workers are paid, training and skills development and workplace governance (how decisions are made). Many different names are used to describe different forms of work reorganization, such as teamwork, empowerment, partnership, etc. Whatever name is used, the key is that workers must be involved in the process for it to work.

REPLACING RETIREES AND HIRING YOUTH: EVIDENCE FROM THE CANADIAN LABOUR MARKET AND PRODUCTIVITY CENTRE LEADERSHIP SURVEY

Chris Parsley

Canadian Labour Market and Productivity Centre

Introduction

There is little doubt that the labour market will be profoundly affected by demographic change in the coming decades. According to one estimate, the proportion of older workers, i.e. those between the ages 45 and 64, will increase by 30 per cent over the next ten years and will make up about 40 per cent of the workforce (Cappe 1998). Coupled with a trend towards early retirement, this will translate into an enormous loss of accumulated experience from companies and workplaces over the coming years. Replacing this loss will become an important issue among companies and unions.

One source of replacing retirees is through greater employment of younger workers. Currently, youth unemployment is high – in the mid 1990s it had climbed to over 80 per cent above the national average. While the retirement of older workers could be beneficial for youth unemployment rates, younger workers generally have less work experience. The proportion of youth without job experience has risen sharply in the 1990s.¹ Clearly, a major challenge business and industries face is the potentially major gap in their complement of experienced and skilled workers, and their ability to ensure that young workers will have the capacity and skills to occupy the positions of retirees.

Companies will require new strategies and programs to successfully manage these demographic and human resource challenges in the coming years. This paper reflects survey evidence on the views of

business and labour leaders, and their perceptions of the problems faced with increasing numbers of retirees and an influx of younger and less experienced workers.

The questions are part of a larger survey conducted by the Canadian Labour Market and Productivity Centre in March and April 1998 (see Canadian Labour Market and Productivity Centre 1998). Approximately 2,700 Canadian business, labour and public sector leaders were surveyed in order to determine their perceptions about a variety of economic and policy issues.² The replacement of retiring workers and the hiring of youth were among the sets of questions asked. The information gained from the responses provides some valuable economy-wide evidence of business and labour perspectives and plans around the aging workforce. The responses were broken down into public and private sectors, then further defined by the type of firm. Firms were respectively defined as growing, static or declining, if their employment had increased, remained constant or declined in the last five years.³

Replacement of Retiring Workers

Expectations Over the Next Five Years

Respondents were asked about their intentions to replace retirees over the next five years. Both business and labour leaders agreed that replacement would be significant: 91 per cent of all business leaders and 88 per cent of all labour leaders indicated that all or some of their retirees would be replaced. Expectations

This article is drawn from a longer article on youth and the aging workforce (Canadian Labour Market and Productivity Centre 1999).

¹ The proportion of youth without job experience rose from 9.8 per cent in December 1989, to 24.6 per cent in December 1997 (Statistics Canada 1998).

² The response rate for this survey was 20 per cent and included responses from all industries throughout the economy.

³ For a more complete analysis by type of firm the reader should consult the Canadian Labour Market and Productivity Centre (1999).

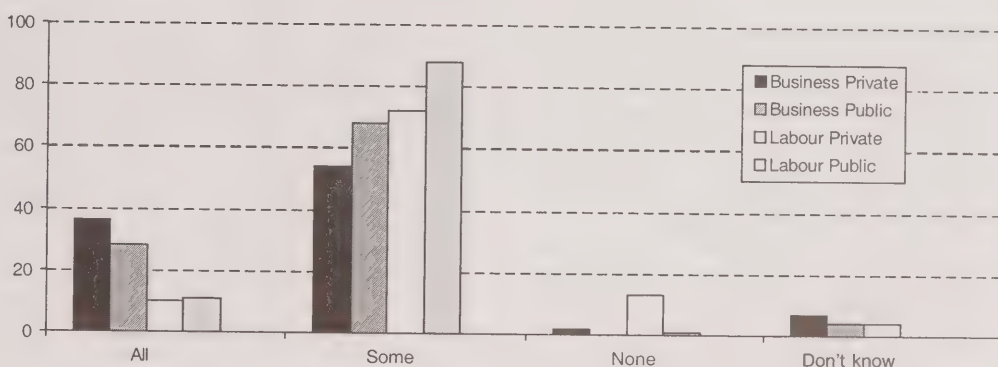
that all retirees would be replaced were generally higher among business leaders than labour leaders, though labour leaders overall thought that significant partial replacement would occur (Chart 1). Overall, activity to replace some or all retirees was slightly higher in the public sector than in the private sector for both management and labour.⁴

Among the different types of organizations, expectations of replacement were much higher in growing organizations. Thus, 49 per cent of business leaders and 42 per cent of labour leaders in firms with growing employment believed all retirees would be

replaced, compared to 19 per cent of business leaders and 5 per cent of labour leaders where employment had declined. This pattern was evident in both the private and public sectors. However, in growing organizations, labour was more optimistic that all employees would be replaced in the public sector whereas optimism was greatest among business leaders in the private sector.⁵

Overall the belief that some or all replacement of retirees was going to occur in the next five years was prevalent across the three types of firms in both the public and private sector and indicates the future importance of replacing retiring workers.

Chart 1
Retirees Who Will be Replaced in the Next Five Years



Current Activity to Replace Retiring Workers

Although both parties agreed on the significance of replacing retirees, business and labour had different views on how actively employers were addressing the replacement of retirees (Chart 2).

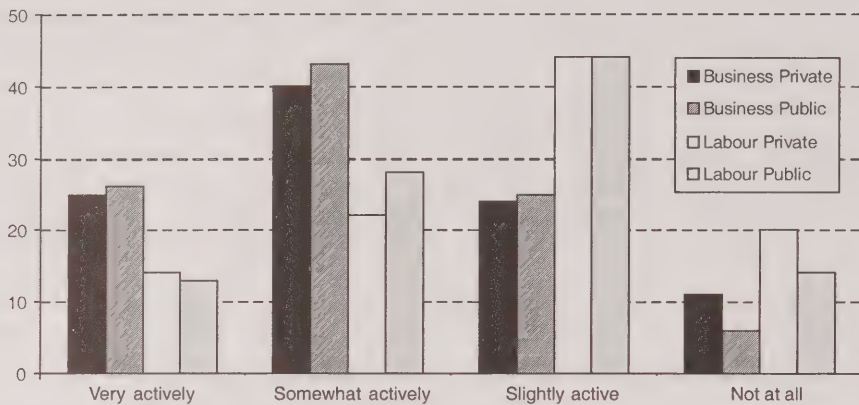
Overall, two-thirds of business leaders believed they were engaging somewhat actively or very actively in replacing retirees (65 per cent among private business leaders and 69 per cent among public sector management). In contrast, only 38 per cent of labour

⁴ Fully 96 per cent of business and 99 per cent of labour leaders in the public sector expected total or partial replacement compared to 90 per cent and 82 per cent for business and labour leaders respectively in the private sector.

⁵ Thus, in growing firms, labour leaders in growing public sector organizations were more optimistic that all employees would be replaced than both management in the public sector and private sector labour leaders – 57 per cent of public sector labour leaders thought all employees would be replaced compared to 37 per cent of public sector managers and 38 per cent of private sector labour people. On the other hand, private sector business leaders were more optimistic than private sector labour leaders and also their business counterparts in the public sector – 53 per cent of private business leaders thought all employees would be replaced compared to 38 per cent of private sector labour leaders and 37 per cent of public sector management.

Chart 2

Extent of Activity in Replacing Retirees



leaders overall believed their organizations were engaged in significant activity to replace retirees (36 per cent of private sector labour and 42 per cent of public sector labour leaders). Instead, 44 per cent of public and private sector labour leaders thought there was only slight activity and between 14 per cent and 20 per cent believed there was no activity at all to address the issues of replacing retirees.

The difference between the business leaders' beliefs that they were active and the labour leaders' view that little was being done to replace retirees probably reflects the different expectations of the two groups over appropriate activity levels. Furthermore, the two groups may have different views on what replacement activities would include, i.e., management may include specific initiatives and strategies that they are developing but of which union leaders may not be fully cognizant.

The data by type of firm reveal that, in the private sector, growing firms are generally more active than static or declining ones. Similarly, a higher proportion of both business and labour leaders believed that no replacement activity was taking place in static or declining firms.

In the public sector, the level of replacement activity was similar in both growing organizations and static organizations according to both business and labour leaders.⁶ In fact, the proportion of both business and labour leaders who believed there was no activity was higher in growing organizations than in organizations where employment was unchanged or had decreased. Thus replacement activity in the public sector is perceived to be more evenly spread across the different types of organizations.

Specific Action to Replace Retirees

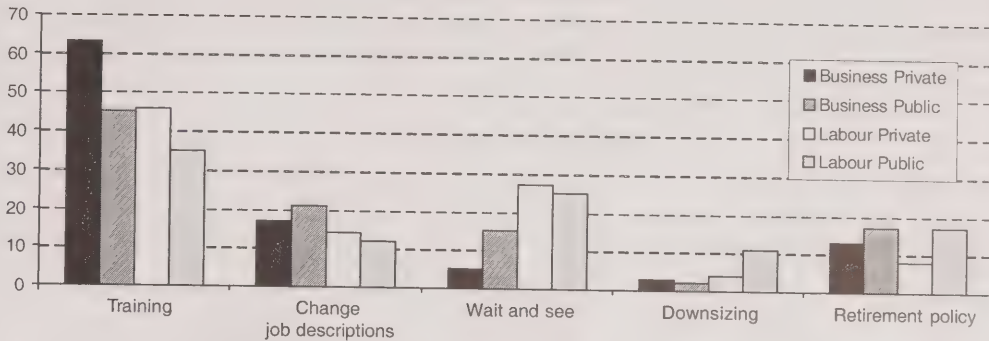
Respondents who had indicated they had addressed the issues of replacing retirees were then asked what specific actions had been taken. There were some similarities between business and labour but also some marked differences in their responses (Chart 3).

Both business and labour agreed that training was the principal activity that has been used to address the issue of replacing retirees. In the private sector, 63 per cent of business leaders and 46 per cent of labour leaders indicated training. Corresponding figures in the public sector were lower: 45 per cent of managers and 35 per cent of labour leaders. Changing job descriptions and establishing a retirement policy also drew similar, but much lower responses from both business and labour.

⁶ The proportion of public sector leaders who were somewhat or very active was 67 per cent in growing firms compared to 66 per cent in static firms. Among public sector labour leaders the corresponding figures were 72 per cent in growing firms and 66 per cent in static firms.

Chart 3

Specific Actions to Replace Retirees



The chief difference was that a quarter of labour leaders in both the public and private sectors believed organizations were adopting a wait and see approach, compared to only 5 per cent of private sector business leaders and 15 per cent of public sector business leaders. This ties in with the previous comments on the expectations of the two parties: business believes it is doing enough, labour wants business to do more. Some actions which business believes will have an impact may be interpreted by labour leaders as having little impact and are therefore viewed as the same as a wait and see approach.

An additional interesting response was that downsizing was generally not considered part of an organization's approach to managing an increase in retirees. The response to this question was higher among public sector union leaders (11 per cent) than among the three other groups (between 2 per cent and 4 per cent). The low response rates would appear to reflect the substantial downsizing that has already occurred in the late 1980s and mid 1990s in organizations and that little further downsizing is expected in the future.

Problems in Replacing Retiring Workers

Business and labour leaders who had reported that some or all retiring employees would be replaced, were asked if they anticipated any problems trying to replace retiring workers and what those specific problems were.

In general, the problems of replacing retirees was not expected to be a big issue among business leaders (Chart 4). Very few business leaders (between 4 per cent and 8 per cent) thought there would be very significant problems with replacing retirees. Approximately half of business leaders anticipated moderately significant problems and 44 per cent saw no significant problems in replacing retiring workers.

In general, the majority of business and labour leaders believed that the problems of replacing retirees would be moderate or non-existent. However, the views of labour leaders were distributed across the spectrum of opinion with a substantial number expecting very significant problems in replacing retirees. These differences were generally apparent in the breakdown by type of firm.

Two caveats may be noted in regard to these responses. First, the impact of demographic change is only beginning to be felt and the ability to replace retirees may not have been difficult up to this point in time. The impact of an aging workforce, while gradual, is also cumulative and consequently problems with replacing retirees can be expected to emerge on a wider scale than is currently apparent.

Second, the information presented here reflects viewpoints across the spectrum of industries. While very significant economy-wide problems are largely absent, there are likely to be particular occupations or

sectors where replacing retirees will become difficult and these may require specific solutions.

The overwhelming specific replacement problem identified was skill shortages (Chart 5). Among firms who identified replacement problems, 87 per cent of business leaders and 69 per cent of labour leaders cited skills shortages as a specific issue. This finding

was more pronounced in the private sector than in the public sector.⁷ This finding is consistent with training as the main activity in replacing retirees. It is also consistent with evidence of problems some industries have experienced in attracting enough appropriately skilled people. For these sectors, skill shortages would be a very significant problem in replacing retiring workers.

Chart 4
Expected Problems Replacing Retirees

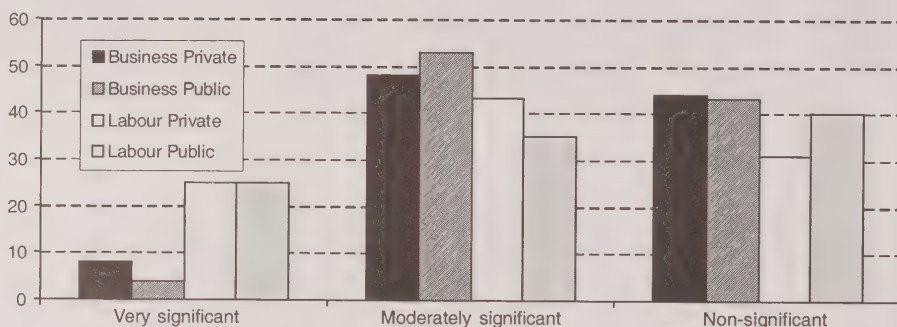
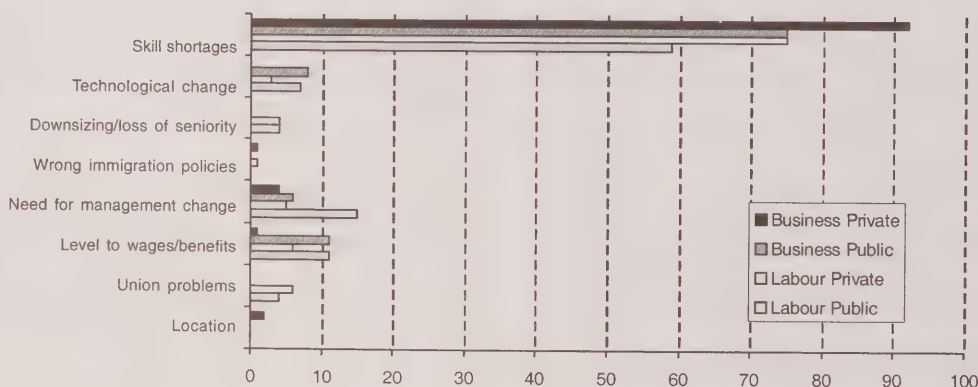


Chart 5
Specific Problems Replacing Retirees



⁷ In the private sector, 92 per cent of business leaders and 75 per cent of labour leaders perceived skill shortages as a problem in replacing retirees. In the public sector the corresponding figures were 75 per cent among business leaders and 59 per cent among labour leaders.

Priorities for Hiring Youth

Replacing skilled and experienced retiring workers with younger workers, while an attractive option, will require firms and unions to address the particular needs of young workers, through proper replacement planning. Therefore, the survey asked labour and business leaders about their past and future priorities for hiring youth, as well as the advantages and difficulties in hiring youth.

Priorities in the Past Five Years

Business and labour leaders had very different views of past hiring priorities for youth. Only 11 per cent of labour leaders overall believed that youth hiring had been a high priority; whereas a much higher proportion of business leaders, 30 per cent overall, believed it had. At the other end of the spectrum, over half the labour leaders (52 per cent) indicated it had received a low priority compared to 24 per cent of business leaders. Nearly half (46 per cent) of business leaders and 38 per cent of labour leaders thought that

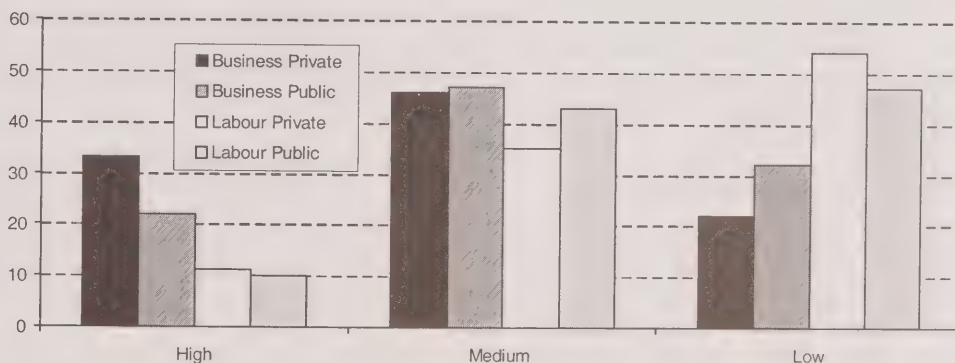
the hiring of youth had received a medium priority. As Chart 6 shows, this pattern was generally true across the private and public sectors.⁸

Not unexpectedly, the priority of hiring youth differs by the type of firm. In growing firms it is easier, or even necessary, to give greater priority to hiring youth and the data supports this when comparing growing firms with declining ones.⁹ Conversely, the proportions believing youth hiring has received a low priority is higher in declining firms than in growing organizations.

Priorities in the Next Five Years for Youth Hiring

The majority of business and labour leaders expected youth hiring to receive the same priority in the next five years – overall 65 per cent of business leaders and 62 per cent of labour leaders indicated this. However, a third of business leaders (34 per cent) and labour leaders (30 per cent) indicated that they expect youth hiring to have a higher priority. This was true in both the public and private sectors (Chart 7).

Chart 6
Priority in Hiring Youth in Past Five Years

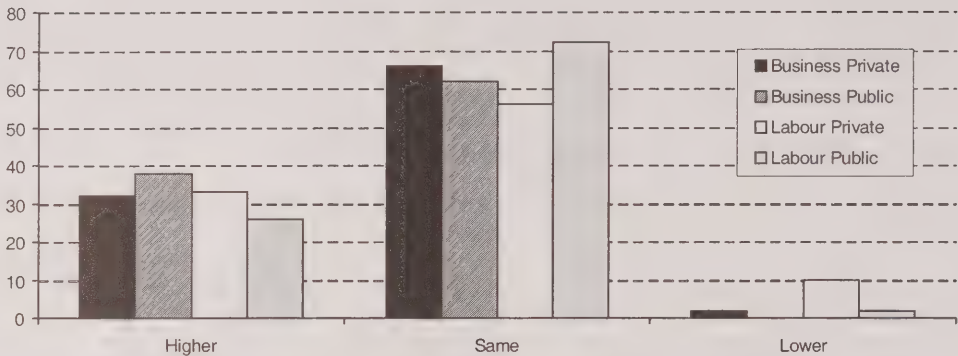


⁸ In the private sector 79 per cent of business leaders thought that the hiring of youth had been a high or medium priority whereas 54 per cent of labour leaders thought it had received a low priority. In the public sector 69 per cent of management thought youth hiring had been a high or medium priority while 47 per cent of labour leaders thought it had received a low priority. Support among labour leaders for the belief that youth hiring had been a high priority was identical in the public and private sectors (at 11 per cent).

⁹ In growing firms 43 per cent of business leaders and 23 per cent of labour leaders thought youth employment had received a high priority in the last five years. In declining firms the corresponding figures were 14 per cent and 6 per cent.

Chart 7

Priority in Hiring Youth in Next Five Years



A more interesting finding emerges from the analysis by type of firm in that the proportion of labour and business leaders who see a rise in the future priority given to youth is highest in declining firms.¹⁰ This could reflect the greater hiring of youth already achieved by growing firms who would consequently see little need to alter their hiring priorities. Declining firms, on the other hand, who have hired few young employees in the past may see a need to change this situation.

The findings suggest that youth employment is likely to remain important overall and that firms will come to realize the important demographic factors at play within the Canadian workforce.

Advantages and Challenges to Hiring Youth

Business and labour were asked to identify the three main advantages of hiring youth. Their responses were quite clear and very similar. According to two thirds of business and labour leaders, enthusiasm was the number one response, followed by readiness to learn. Good computer and technical skills was chosen as the third advantage by 66 per cent of business leaders overall, but only 33 per cent of labour leaders. Forty per cent of labour leaders indicated the ability

to acquire good work habits, and 38 per cent of labour leaders identified appropriate academic qualifications as an advantage.

These results generally held across the public and private sectors (Chart 8). The only difference was that among public sector labour leaders appropriate academic qualifications were the third choice, while the private sector union's third most common response was the ability to acquire good work habits. The evidence that young workers are perceived as both enthusiastic and ready to learn is nevertheless very clearly indicated.

There was also consensus on the challenges to hiring youth. Insufficient experience was cited by 70 per cent of labour leaders and 67 per cent of business leaders. This was clearly identified in both the public and private sectors as the primary obstacles to youth employment (Chart 9).

Other obstacles were less frequently mentioned. A lack of interpersonal or "soft" skills was cited by 50 per cent of business leaders in both the private and public sectors and by somewhat fewer labour leaders (37 per cent).

¹⁰ In the private sector 44 per cent of business leaders in such firms indicated youth hiring would get a higher priority compared to only 20 per cent in firms with growing employment. The corresponding figures for labour were 35 per cent in declining firms versus 29 per cent in growing firms.

Chart 8

Advantages to Hiring Youth

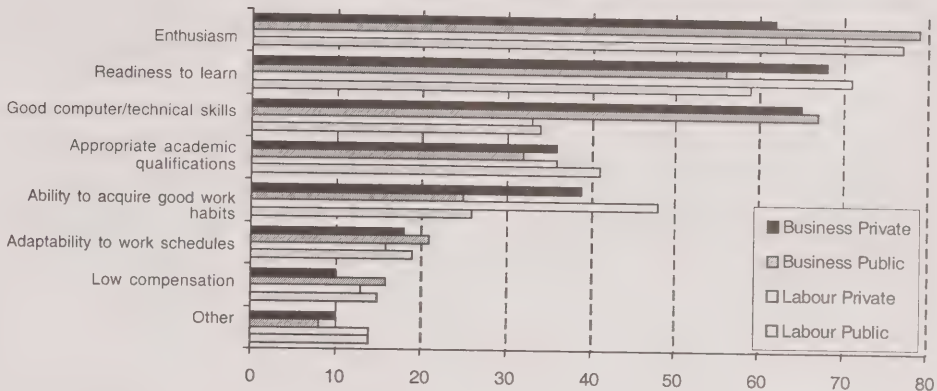
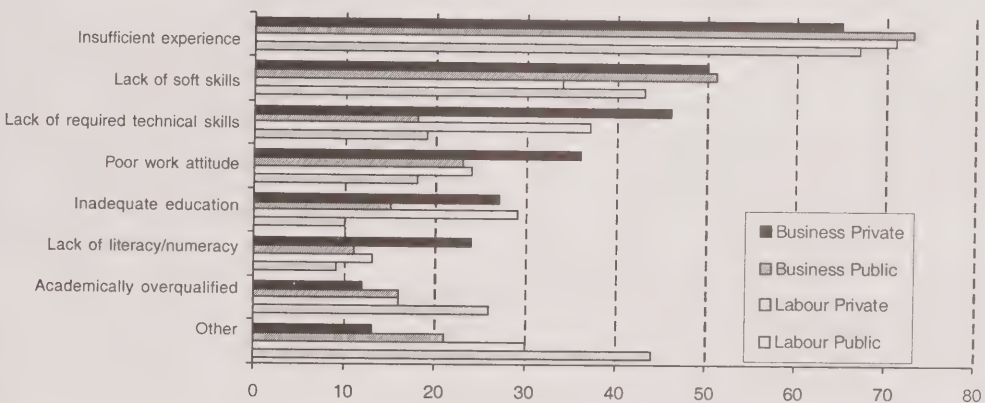


Chart 9

Obstacles to Hiring Youth



In the private sector, 46 per cent of business leaders and 37 per cent of labour leaders identified a lack of required technical skills as an obstacle (despite the results from Chart 6). This points to some specific skills gaps in technical fields that can adversely affect employment of young workers. In this regard, it is important to note that inadequate education was a more marked concern in the private sector. In the public sector, the lack of technical skills was not identified. Instead, inexperience and a lack of soft skills were the two principal challenges identified.

Conclusion

The findings of the Canadian Labour Market and Productivity Centre Leadership Survey show that business and labour often have very different perceptions concerning the replacement of retiring workers and the hiring of youth. Generally, business seems to be more optimistic than labour about the ability to replace retiring workers and are more confident than labour, that the hiring of youth is and will continue to be a high priority.

While both labour and business leaders in the public and private sectors agreed that there would be a significant amount of replacement of retirees in the future, business leaders believed that more activity was presently underway than did labour leaders. Replacement activity was greatest in firms where employment had grown in the last five years.

Business and labour consented that training was, by far, the most common replacement activity. However, one quarter of labour leaders also believed companies were adopting a wait and see policy. Furthermore, most business leaders did not believe there were very significant problems in replacing retirees and did not expect any. Labour leaders were more divided on the issue and one quarter of them expected very significant problems in replacing retirees in the future. The most common specific problem identified by labour and business was skill shortages, especially in the private sector, which also explains the importance of training as an activity in the replacement of retirees.

Similar differences in hiring viewpoints were evident over youth hiring priorities. Business leaders generally thought youth had received a high priority in the last five years whereas over half of the labour leaders thought hiring young people had received a low priority. There were also notable differences in hiring priorities among different types of firms. Not unexpectedly, firms whose employment had grown in the last five years gave a higher priority to youth employment than those firms where employment had decreased.

The majority of business and labour leaders were in agreement that hiring youth would remain the same priority level over the next five years. However, one-third of labour and business leaders in both

the private and public sectors, expected youth employment would be given a higher priority in the next five years. A higher priority towards youth was most evident among firms that had experienced employment declines. This would indicate that the importance of hiring youth will not be simply confined to growing firms, but is now becoming more widely recognized.

Both business and labour leaders agreed on the advantages and challenges in hiring young people. Enthusiasm and a readiness to learn were regarded as the principal advantages. Good computer and technical skills, the ability to acquire good work habits, and appropriate academic qualifications were also identified. Insufficient experience was considered to be the foremost challenge in hiring youth. Lesser obstacles that were identified included a lack of interpersonal and communication skills and, in the private sector, a lack of certain technical skills. This is consistent with the existence of specific skill shortages as the main specific problem associated with replacing retirees.

Despite the differences in viewpoints, the principal fact from the evidence is that planning for the succession of older workers by younger workers is really only just beginning among companies and unions. The inexorable progression of demographic trends means, however, that more attention will have to be paid by firms, unions and governments to the issues of an aging workforce and issues such as corporate memory. Repeating this survey in the year 2000 would therefore be a valuable exercise, in order to determine if prevailing views among business and labour leaders may shift in response to demographic change.

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DOES INTEREST-BASED BARGAINING RESULT IN DIFFERENT AGREEMENTS?

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In the past two years, interest-based bargaining has been the topic of a number of articles and several books.¹ Most of these focus on the merits of this approach to negotiations, which is based on co-operation, open discussions, and exchanges based on interests and not on positions. Authors often adopt a normative approach, calling for the use of a particular bargaining method without any empirical examination of the concrete differences in outcome compared with another method. The purpose of this article is to remedy that shortcoming in part by addressing the specific characteristics of agreements negotiated using the principled negotiation approach.

Although there have been major changes in the contents of collective agreements in recent years, most renewals are negotiated in an atmosphere of confrontation. Traditional collective bargaining still seems to be the mainstay of the system. Not only does it set the rules, but it also has a strong influence on workplace relations, on company performance, and on competitiveness (Grant and Paquet 1998). Although some participatory mechanisms have been introduced into the workplace in the past decade (Bourque 1999), it seems that innovations have been far slower in coming at the bargaining table where traditional tactics still dominate. At the same time, a growing number of those concerned with the adaptation and survival of collective bargaining in Canada and in Quebec in particular, have been following closely interest-based bargaining.

The first response by traditional bargaining to environmental pressures in the late 70s and early 80s was to accept concessions (Kochan, Katz and McKersie 1986). A number of unions suffered significant losses relating to pay, benefits and work rules. Some managers and labour leaders felt that these difficulties were cyclical, and did not perceive the changes the economy was experiencing

as structural and permanent. Others, however, came to question the effectiveness of traditional negotiating strategies and sought ways of improving relations between the parties in order to enhance simultaneously productivity and job security. They felt it was preferable to adopt a strategy of co-operation focussed on survival, so as to limit concessions in the hope of finding solutions that would serve the interests of all parties.

Meanwhile, government stakeholders were stepping up efforts and programs aimed at creating greater harmony in labour relations. Federal and Quebec agencies were among those involved. In addition to taking more preventive measures to avoid conflict, they have, in recent years, been involved in training both labour and management in the interest-based bargaining approach. They were not the only ones; a number of academics in the industrial relations field were also involved in workplace training (Bergeron and Bourque 1998), as were some consulting firms. An uncertain economic and trade context, a new social climate, efforts made at the government level, and access to joint training sessions have all contributed to greater use of the interest-based bargaining approach.

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¹ Interest-based bargaining has also been called mutual gains bargaining, integrative negotiation or bargaining, win-win negotiation, collaborative or co-operative negotiation.

1 — Research Objective and Strategy

From the conceptual point of view (Fisher and Ury 1981), using interest-based bargaining should improve relations between the parties, since the approach is in large part focussed on precisely that relationship. Interest-based bargaining is also meant to produce fairer agreements, because both parties make an effort to openly discuss their fundamental needs and interests, and base their agreements on objective criteria (Fisher and Ury 1981). The empirical truth of the first of these assumptions has been proven in part as far as relations between the parties are concerned. This is not, however, the case with the second. In fact, not much empirical research has been done so far on the differences in negotiation outcomes when interest-based approaches are used.

What we are addressing here is the type and degree of differences between agreements produced by interest-based bargaining and those produced by the more traditional approach. While a number of factors other than the approach used influence outcome, the most influential would appear to be industrial sector, the company's financial position, its size, its corporate links, the union involved, and external structures, including the political, economic, legal and social context.

In order to isolate the net effect of using a different form of negotiation (interest-based bargaining) as much as possible, research specifications in large part control the influence of the factors listed. Each company in which interest-based bargaining has been used is paired with an equivalent one for which these variables are constants.

The 19 businesses in which interest-based bargaining was used were selected from a preliminary list provided to us by the Ministère du travail du Québec [*the province of Quebec department of labour*] and another from Human Resources Development Canada. These two government bodies had been involved with each of the businesses in question, either by providing initial training to the negotiating parties or acting as facilitators during the negotiations. The collective agreements (old and new) were obtained through direct contacts with the negotiating parties or from the Human Resources Development Canada collective agreement data bank. For each one that had involved interest-based bargaining, we obtained a copy of the old

agreement that had been negotiated using the traditional approach for the same bargaining unit, in order to compare them and to pinpoint the changes resulting from use of the new approach.

The 19 cases of interest-based bargaining were paired with a case where the traditional approach had been used. For each of the 19 cases where interest-based bargaining had been used, we selected a traditional bargaining case from the same industrial sector, with the bargaining unit sharing similar characteristics as far as the size and type of worker was concerned, and the period of negotiation comparable. As we did for the agreements negotiated using the new approach, we compared the old and new collective agreements in order to identify the changes made.

For each of the 38, the changes were put in table form, indicating the number of the article changed, its status in the new collective agreement compared with the old, and a fairly detailed description of the change made. Telephone interviews with negotiators were made in order to validate our understanding of the changes made to the collective agreements, as well as to obtain additional information on the business and the process followed during negotiations.

Of the 19 pairs of cases, seven were from the manufacturing sector, four from the personal services sector, three from telecommunications, three from the municipal sector, and two from post-secondary education. Although this sample does not reflect the proportional breakdown of the Canadian economy, we feel that the range is totally acceptable, given the diversity it reflects.

In order to verify the working hypotheses and thus to have a better understanding of the impact of interest-based bargaining on the content of collective agreements, three analytical tools were used. First of all, we calculated the number of changes made to the agreements in the two types of bargaining, by grouping them under key collective agreement categories. This first indicator gives us a preliminary overview of the differences. Then we assessed the changes individually, determining whether they represented a gain or a loss for the union, or whether they represented a mutual gain. Finally, as the last stage in the analysis, the changes were classified by type of innovation. An evaluation grid for innovation was developed for this purpose, based on the literature.

Frequency of Changes

The purpose of this analysis was to verify whether there are any significant differences in the frequency of changes made to collective agreements using the two approaches. In this analysis, as with the others to follow, we selected only significant changes. Simple changes for the sake of clarification or updating a collective agreement were not taken into account. As well, some of the changes involve a number of modifications to an agreement or the amendment of a number of paragraphs; these were counted only once. The changes were classified under eight major categories:

- Monetary: wage scales, bonuses, indexation, allowances;²
- Employee benefits: insurance, pension plans, etc.;
- Union recognition: membership, union activities, rights;
- Grievances: procedures, arbitrator, disciplinary measures;
- Turnover: seniority, contracting-out, job security;
- Hours of work: schedules, overtime, leave, statutory holidays;
- General organization of work: teamwork, new shifts, job flexibility;
- Labour relations: joint committees, dispute resolution (other than grievances), partnerships, objectives, policy.

In each case in Table 1, we indicate whether or not there was a change in each of the eight categories. This offers a preliminary indication of the differences in outcome depending on the bargaining approach used, and the type of changes in particular. Only in three of the eight categories was there a significant difference. The difference is four (57 per cent) in the grievances and disciplinary measures category, four (67 per cent) for general organization of work, and five (42 per cent) for labour relations. These clauses generally address relations between the parties. At first glance, the greatest difference in the changes

resulting from interest-based bargaining would appear to indicate that this approach works in favour of renewed relations.

Table 1
Presence of
Changes Obtained
Through Traditional Bargaining
and Interest-based Bargaining

	<u>Traditional Bargaining</u>	<u>Interest-based Bargaining</u>
Monetary	17	16
Employee benefits	16	18
Union recognition	11	12
Grievances and disciplinary measures	7	11
Turnover, job security	18	17
Hours of work and schedules	16	16
General organization of work	6	10
Labour relations	12	17
Collective agreements	19	19

The figures in Table 1 indicate a general trend in the changes resulting from the two approaches. In order to pinpoint the frequency of change, we counted them within each category. In Table 2, of the 19 traditional agreements, there were a total of 343 changes, an average of 18.05 per agreement. A higher frequency of change is shown in the agreements resulting from the interest-based approach, 362, an average of 19.05 per agreement. The 5.8 per cent difference is not, in itself, particularly significant, or reflect the small size of the sample. However, analysis of the frequency by category does

² Increases in pay scales were not counted in Tables 1 to 3 although they were looked at. The average basic wage adjustments were identical, at 1.59 per cent for both bargaining approaches. This category does, however, include all the other changes in wages, such as additional steps, or the introduction of new pay rates for employees to be hired in future.

indicate far more significant differences for the *grievances and disciplinary measures, hours of work and schedules, general organization of work and labour relations* categories.

Table 2
**Frequency of
Changes Obtained
Through Traditional Bargaining
and Interest-based Bargaining**

	Traditional Bargaining	Interest-based Bargaining
Monetary	71	69
Employee benefits	39	38
Union recognition	28	25
Grievances and disciplinary measures	12	19
Turnover, job security	70	76
Hours of work and schedules	82	65
General organization of work	8	18
Labour relations	33	59
Collective agreements	19	19

In the *grievances and disciplinary measures* category, there were 12 changes in the traditional agreements and 19 in those reached using the principled approach. This represents a difference of 58 per cent. According to a review of the amended clauses, the difference may in large part be explained by the introduction of alternative grievance resolution mechanisms or a more flexible grievance procedure in several of the agreements settled using the new approach. There are more changes in the *hours of work and schedules* category for the traditional agreements, with a difference of 26 per cent (65 vs 82). When the amended clauses were reviewed, we found that the difference may be explained in large part by the fact that improvements in the total days of annual or statutory leave are more frequent in the traditionally negotiated agreements. As for the

clauses on general organization of work, these were more often amended in the agreements reached using the interest-based approach, with a difference of 125 per cent (8 vs 18). Almost all of this variance can be explained by the presence of joint mechanisms relating to work reorganization in a number of the latter type of agreements. These are rare in traditional agreements. Finally, although both approaches resulted in the creation of a large number of joint committees for the purpose of working together to solve specific or general problems in the workplace, the number of negotiated changes is far greater in the agreements reached using the interest-based approach than in the traditional (79 per cent, or 33 vs 59) approach.

From this initial analysis we can conclude that interest-based bargaining results show slightly more changes to collective agreements (362 vs 343). Positive differences exist in the *grievances and disciplinary measures, general organization of work and labour relations* categories. Although not limited, these differences are in large part explained by joint initiatives to discuss and resolve problems or to introduce change after consultation or union participation.

2— Direction of Changes

While the first part of the analysis focussed on comparing the differences in terms of the frequency of changes, the second part is designed to identify the changes in order to determine whom they benefit. Each of the 705 changes were examined and classified in one of the following three categories: a union gain, a union concession or a mutual gain. Union gains include clauses where the new agreement constitutes an improvement for the workers or the union while not directly benefiting the employer. The situation is reversed for concessions, where the workers or the union lose a right or benefit. As for mutual gains, they include clauses where both parties gain. While we took great care in classifying the changes, there is a risk that such an approach is somewhat subjective in classifying certain clauses. However, we endeavoured to be as objective as possible and as consistent as possible throughout the process. The authors classified the changes separately and compared their results. Where they classified the change differently, they obtained the opinion of another person and reached a consensus. The

results of this analysis are reproduced in Table 3. Where interest-based bargaining produces fewer union gains, more union concessions and more mutual gains.

Interest-based Bargaining

Union gains: 159; average 8.37 per agreement;
43.9 per cent of changes

Concessions: 111; average 5.84 per agreement;
30.7 per cent of changes

Mutual gains: 92; average 4.84 per agreement;
25.4 per cent of changes

Traditional Bargaining

Union gains: 218; average 11.47 per agreement;
63.6 per cent of changes

Concessions: 89; average 4.68 per agreement;
25.9 per cent of changes

Mutual gains: 36; average 1.89 per agreement;
10.5 per cent of changes

These differences are relatively significant in each of the three classes of changes. The percentage changes are undoubtedly the most appropriate data to use in a comparative analysis. The absolute data in fact contain a bias attributable to the fact that more changes were made in agreements settled using the interest-based approach than in traditional agreements. The difference in concessions is 18.5 per cent (30.7 vs 25.9) or just over one additional concession per agreement settled using the interest-based bargaining approach. This is, a disturbing statistic for labour organizations that agreeing to use interest-based bargaining.

The greatest difference is in union gains: the number and proportion, in both absolute and relative terms, are much greater in traditional bargaining than in interest-based bargaining. However, the gap lessens considerably when union gains and mutual gains are added together. It is not surprising then to see that mutual gains, because of the very nature of the approach, are much more frequent in interest-based bargaining, at more than twice the rate (10.5 per cent vs 25.4 per cent).

Table 3
Direction of Changes
Obtained Through Traditional Bargaining
and Interest-Based Bargaining

	Traditional Bargaining	Interest-based Bargaining
Monetary		
<i>union gains</i>	56	40
<i>mutual gains</i>	-	1
<i>concessions</i>	15	28
Employee benefits		
<i>union gains</i>	32	28
<i>mutual gains</i>	-	-
<i>concessions</i>	7	10
Union recognition		
<i>union gains</i>	24	18
<i>mutual gains</i>	-	-
<i>concessions</i>	4	7
Grievances and disciplinary measures		
<i>union gains</i>	8	9
<i>mutual gains</i>	-	5
<i>concessions</i>	4	5
Turnover, job security		
<i>union gains</i>	40	29
<i>mutual gains</i>	4	13
<i>concessions</i>	26	34
Hours of work and schedule		
<i>union gains</i>	54	35
<i>mutual gains</i>	-	6
<i>concessions</i>	28	24
General organization of work		
<i>union gains</i>	3	2
<i>mutual gains</i>	-	13
<i>concessions</i>	5	3
Labour relations		
<i>union gains</i>	1	5
<i>mutual gains</i>	32	54
<i>concessions</i>	-	-
Collective agreements	19	19

While indicative of the general direction of the change, the aggregate data must be examined in greater detail to understand their scope. To do this, we look at the categories of changes where there is a significant difference in the relative percentages for the type of change.

The first point we note in the analysis by category is that monetary concessions are much more frequent in interest-based bargaining than in traditional bargaining. The nature of these concessions varies considerably from one agreement to another, ranging from a reduction in some allowances to lower rates, to the introduction of lower pay rates for new employees. The percentage of changes that are concessions in traditional bargaining is 21 per cent, while it is nearly double, at 41 per cent, for interest-based bargaining. The difference is reversed obviously when union gains under the two forms of bargaining are compared (79 per cent vs 58 per cent). Lastly, there was only one case of mutual gains with respect to money where the parties agreed to re-examine wages together for the coming years based on the business's position and employee needs.

The second finding is that there are five mutual gains relating to grievances and disciplinary measures clauses in interest-based bargaining, while there are none with traditional bargaining. We have already commented on this difference in the previous section, it being attributable to the implementation of informal or alternative grievance resolution mechanisms.

The third finding relates to the changes made in the turnover and *hours of work and schedules* categories. A comparison of the results indicates that the rate of concession is relatively similar between the two bargaining types. However, in both categories, union gains are greater in traditional bargaining. This difference disappears when the mutual gains and union gains are combined in a single category. Changes regarding these two types of clauses therefore tend to benefit the union alone in traditional bargaining, while the employer is often the one to gain in interest-based bargaining.

The final finding concerns the *general organization of work and labour relations* categories. What clearly differentiates the two forms of bargaining is the higher rate (109 per cent: 67 vs 32) of changes in the form of mutual gains when interest-based bargaining is

used. This is an important element that confirms in part the claim that interest-based bargaining is an approach that obtains mutual gains. These gains primarily entail the establishment of joint mechanisms for regulating work or relations between the parties or make provision for the employer's consideration of the union as a partner that it can consult or involve in discussions.

3— Workplace Innovations

The objective of this final analysis is to compare the extent of innovations in collective agreements settled using either of the two approaches. We define an innovation based on criteria identified as innovative in industrial relations literature. Table 4 groups these innovations in six categories of indicators.

Each of the changes made in the collective agreements were examined to see whether it entailed a workplace change as set out in Table 4. Table 5 presents the results of the compilation of innovations according to the categories in Table 4.

Generally, agreements settled using interest-based bargaining account for more than twice as many innovations as traditional agreements. While traditional agreements contain an average of 2.05 innovations (39/19), agreements reached through the new approach have 4.32 (82/19). It is clear from the data that interest-based negotiation facilitates the introduction of workplace innovations in collective agreements.

It is also interesting to look at the range of workplace innovations. With traditional bargaining, the large majority of innovations (77 per cent) are in the same category, (joint action) and only eight innovations are in others. Innovations obtained through interest-based bargaining, however, are much more varied. While 55 per cent are in joint action, there are 37 in other categories, almost as many as the total number of innovations obtained through traditional bargaining.

It can therefore be concluded that the use of interest-based bargaining facilitates the introduction of a greater number and a greater variety of workplace innovations, thereby helping the company better adapt to a changing environment.

Table 4

Innovations Indicators*

<u>Types of Innovations</u>	<u>Indicators in the Collective Agreement</u>
Joint action/ Labour-management cooperation	<ul style="list-style-type: none"> • Joint committees • Ongoing negotiation • Quality circle • Joint management • Review of communications • Alternative dispute resolution/problem-solving • Quality of work life • Participation in strategic management • Sharing of financial information
Functional flexibility and teamwork	<ul style="list-style-type: none"> • Job enrichment • Job rotation/versatility • Job enlargement • Multiskilling/consolidation of skills • Semi-autonomous or self-managed groups • Work team accountability • Sociotechnical approach
Organization of working time	<ul style="list-style-type: none"> • Shared schedules • Job or work sharing • Shorter work week • Compressed work week • Work at home
Training	<ul style="list-style-type: none"> • Development policy • Ongoing training
Compensation system	<ul style="list-style-type: none"> • Profit sharing • Gain-sharing • Knowledge-based pay • Piecework pay • Group pay • Stock-options
"Social contracts" (as known in Quebec)	<ul style="list-style-type: none"> • Term of more than 36 months/guarantee of labour peace • New dispute resolution mechanism (final offer selection) • Union involvement structure • Minimum employee levels • Investments guaranteed by the company

* These indicators are derived from a literature review (Betcherman, Leckie and Verma 1994; Bourque 1995; Eaton and Voos 1994; Bergeron, Paquet and Thériault 1993; Long 1989).

Table 5
Frequency of
Changes Obtained
Through Traditional Bargaining
and Interest-based Bargaining

	<u>Traditional Bargaining</u>	<u>Interest-based Bargaining</u>
Joint action/ Labour-management cooperation	31	45
Functional flexibility	-	12
Working time	2	2
Training	3	6
Compensation	3	6
Labour agreements	-	10
Collective agreements	19	19

4— Conclusion

The comparative analysis of changes made in collective agreements negotiated using the interest-based bargaining approach and the traditional approach was conducted in three stages. First the presence and frequency of changes were compared. Secondly, we identified the changes and determined which party they benefited. Changes were examined from the standpoint of innovation.

First, interest-based bargaining results in a few more changes in collective agreements. Its greatest impact is on clauses dealing with relations between the parties and the mechanisms under which they operate. In particular, these clauses pertain to the following categories: grievances and disciplinary measures, general organization of work and labour

relations. However, traditional bargaining produces more changes in clauses on hours of work and schedules, thereby resulting in greater gains for unions.

Second, agreements settled using interest-based bargaining contain more union concessions than traditional agreements. While the two bargaining methods result in comparable increases in basic wages, interest-based bargaining leads the union to make a greater number of monetary concessions. Traditional bargaining also produces more union gains in terms of hours of work and schedules. However, interest-based bargaining generates a much larger number of mutual gains, primarily with respect to clauses dealing with relations between the parties and the context in which they operate. This finding is consistent with the very essence of the interest-based bargaining method, which is intended to produce agreements with such mutual gains.

Finally, more innovative collective agreements are settled using the interest-based bargaining approach. Innovations are introduced more frequently and they are much more diversified than innovations introduced through traditional bargaining. Interest-based bargaining thus tends to help the company adapt to a changing environment.

To the question "Does interest-based bargaining result in different agreements?" the answer is yes. However, the differences may be fewer than expected. On the whole, interest-based negotiation results in more concessions for the criterion and more mutual gains. It also facilitates the introduction of innovations. While the data provided here seems convincing, the differences may not be entirely attributable to the use of a different method of negotiation but instead to the differing workplace contexts. The companies and unions that opted for interest-based bargaining may have been in a more difficult position than those who chose traditional bargaining. These difficulties may have prompted the decision to choose a different approach to negotiations.

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CONTINGENT WORK: TRENDS, ISSUES AND CHALLENGES FOR LABOUR

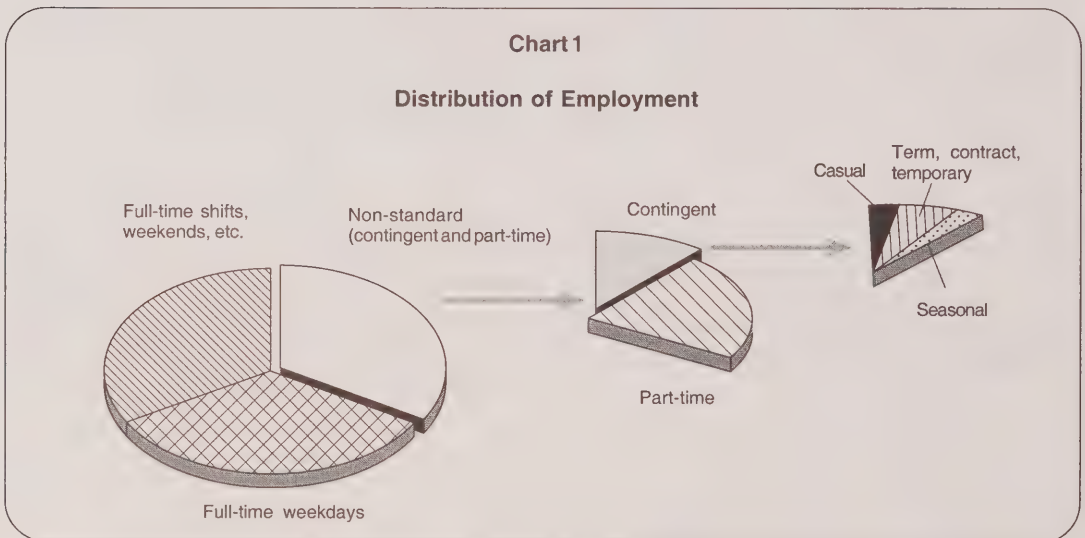
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Two previous Conference Board reports have explored the phenomenon of contingent work, one from the perspective of the employer and the other from the perspective of individuals and organizations.¹ This study focuses on the topic from the perspective of labour organizations: how unions represent contingent workers and bargain provisions that apply to these workers in their collective agreements. It also looks at how management and labour are working together to develop innovative initiatives aimed at meeting employer needs for flexibility and labour needs for full-time employment with reasonable wages and benefits.

Globalization, rapid technological change and heightened customer expectations have altered the nature of work and employment over the last ten years. To remain competitive, firms have streamlined processes, achieved cost efficiencies, outsourced non-core business activities and increased workforce flexibility. To meet a fluctuating demand for labour, many organizations have adopted staffing strategies that call for a core of permanent employees and a flexible pool of part-time and contingent workers.

The use of contingent workers is growing. In fact, non-standard (part-time and contingent) work currently represents about one-third of total employment (see Chart 1). Another third of Canadian workers have a "typical" job (a permanent, full-time position in which the employee works during the day, Monday to Friday, for a single employer). Despite the numbers being about equal, legislation covering most standards and conditions of work and many income protection plans and benefits are based on the "typical" employment model and on the assumption of a long-term employer – employee relationship.



Source: Statistics Canada, *Survey of Work Arrangements*, 1995.

¹ Patricia Booth, *Contingent Work: Trends, Issues and Challenges for Employers*, 192-97 Report (Ottawa: The Conference Board of Canada, 1997); Judith L. MacBride-King, *Contingent Work: Lessons from Individuals and Organizations*, 217-97 Detailed Findings (Ottawa: The Conference Board of Canada, 1997).

Why Contingent Work?

What accounts for the growing trend toward contingent work? In separate surveys, employers and labour organizations provided some answers. Employers said their main reasons for using contingent workers are to provide labour flexibility to meet fluctuations in demand (93 per cent) and to acquire special expertise (67 per cent). Labour organizations (85 per cent) agreed that employers are using contingent workers to ensure flexibility, but many cited control of head count and benefit costs as other important reasons.

In addition, one-third of labour respondents viewed the use of contingent workers as a means of reducing the union presence in the organization. This suggests that employers should be very clear, in their dealings with unions, about why and for how long they plan to use contingent workers. Labour responses also indicated that some unions see the use of contingent workers as an employer strategy to avoid unionization (20 per cent) or to replace unionized workers with non-unionized workers (13 per cent). Though the percentages are relatively small, these responses may reveal an undercurrent of distrust. For employers, a clear communication strategy is an effective way to dispel rumours and clarify perceptions.

Challenges for Labour Organizations

In some sectors of the economy, such as retail and hospitality, a large number of part-time and seasonal employees are used. Other sectors, such as nursing and teaching, have a large component of on-call casual workers.

Labour organizations face major challenges in improving the status of contingent workers. For example, contingent workers may or may not be covered by the collective agreement. Part-time workers may be covered by the collective agreement that applies to full-time employees or by a different one. Part-time workers may even be represented by a different labour organization than full-time workers.

Unions respond to and accommodate the competing needs of all their members, including full-time workers concerned about being displaced by part-time workers. But according to some labour representatives, contingent workers are definitely at the bottom of the totem pole.

Nevertheless, labour organizations believe they have been quite successful in securing the best “deal” for contingent workers, in terms of wages and benefits, and in negotiating coexistence policies that set out the terms and conditions applicable to contingent and non-contingent workers in the same workplace. Labour organizations have been somewhat less successful in converting contingent positions to permanent positions and in including contingent workers in employer-sponsored training and development programs. They also report mixed success at influencing staffing strategies on the source of contingent workers and at putting limits on the relative proportions of contingent workers.

Labour organizations have responded in different ways to increases in the use of contingent workers.

- Some unions have adopted *resistance* strategies. In these cases, management maintains workforce flexibility through overtime and layoff/recall provisions.
- A number of labour organizations have adopted more *accommodating* strategies by negotiating the terms and conditions under which contingent workers will be employed and will work. Here the focus is usually on meeting short-term labour needs and securing the most equitable pay and benefits for contingent workers. Provisions usually include certain restrictions, such as full-time to part-time ratios, caps on the duration of term positions or on the number of hours worked, and full-time conversion formulas when limits are exceeded.
- Other labour organizations have adopted *proactive* strategies. They work toward joint labour-management solutions to changes in employment patterns, recognizing the company's need for workforce flexibility and the workers' need for full-time employment, reasonable wages and access to benefits. Some labour organizations are also developing their own strategies to help contingent workers access benefits and secure employer contributions to benefit plans.

Exhibit 1 lists initiatives that employers can implement with their unions to improve both workforce flexibility and employee satisfaction. Unions say that these initiatives generally foster constructive labour – management relations and lead to a problem-solving work environment.

Exhibit 1

Labour Prescriptions for Constructive Labour-Management Relations

At a minimum, unions believe employers should do the following:

- define the status of each employee and exactly what that status conveys
- have clear collective agreement provisions relating to contingent workers
- define when contingent workers are to be used: short-term assignments, special projects and temporary replacements, not while employees are laid off
- ensure there is no difference in how managers treat contingent workers: equal pay and equal benefits

In addition, unions would like to see employers do the following:

- convert casual/temporary positions to permanent positions after a specified period of time
- ensure fairness in hiring practices
- increase sense of belonging of temporary workers through equal treatment in the workplace
- provide contingent workers with access to benefits, training and development, rewards and recognition programs
- provide guaranteed hours through a "float pool" or an internal staffing agency
- be honest in reasons for using contingent workers
- not use contingent workers as a technicality to avoid hiring for regular positions
- not use contingent workers to reduce employment opportunities

Unions believe that employers would gain the most by doing the following:

- make it clear to both permanent and contingent workers that they are organizational assets
- use a seniority list when calling in contingent workers
- establish joint labour-management committees to manage the extent and use of contingent workers
- look at alternatives to contingent workers such as the hiring of permanent workers (with full access to benefits) with variable schedules
- convert contingent positions to full-time positions where possible
- develop guidelines delineating the needs to be met by the contingent workforce

Source: Conference Board Survey of Labour Organization, 1998.

Examples of Innovative Responses

A co-operative, problem-solving approach encourages both labour and management to articulate their interests and their needs and to develop solutions together. For instance, the United Food and Commercial Workers International Union worked with employers in the retail sector to create a new category of "non-standard hours, full-time employees." This employment status fulfils employer requirements for peak-period staffing (evenings and weekends) and employee needs for secure, full-time work, income security and access to benefits.

Another example is provided by Canadian Pacific Hotels and its unions, the Canadian Auto Workers and the Hotel Employees and Restaurant Employees International Union. When Canadian Pacific Hotels decided its

housekeeping staff had to finish their work before noon, it could have increased the number of housekeeping employees and converted full-time jobs to part-time jobs. However, the company worked with the unions to combine tasks that require different time frames (in housekeeping and in the dining room) to maintain full-time jobs.

Access to benefits and continuity of coverage for income protection are key issues facing contingent workers. The Communications, Energy and Paperworkers Union of Canada and the Confederation of National Trade Unions have set up separate groups for self-employed workers, who do not have access to collective bargaining, and are making group coverage available to them for a wide range of health, insurance and other benefits. For its part, the ACTRA (Alliance of

Canadian Cinema, Television and Radio Artists) Fraternal Benefit Society has opened its benefit plans to other groups of artists. Another model is provided by crafts unions that represent construction tradespeople. They bargain employer contributions to union-sponsored and administered benefit plans, providing members with income protection and continuity of benefits despite short-term work assignments and sequential employers.

In the view of unions, governments can play a role in finding innovative solutions to the issues raised by contingent work. For example, governments can legislate employer obligations with respect to contributions to worker-controlled benefit plans.

Challenges for the Future

Labour-management relations have been complicated in recent years by the growing complexity of contingent work arrangements. But there are potential advantages

for employers who choose to work with labour organizations in developing processes for hiring and managing contingent workers. The more the union understands the problem and is involved in finding solutions, the greater the potential for genuine problem solving. Information sharing will build the trust necessary for constructive labour relations and lead to positive outcomes for both management and labour.

Finding the right balance between employer concerns for efficiency and cost savings and union concerns for improved wages and working conditions and equitable treatment of workers will remain a challenge. The main place to search for this balance will continue to be the bargaining table, where the provisions of collective agreements and the use and mandate of joint committees and problem-solving structures are ironed out. Results at the bargaining table are what lead to concrete trust-building or trust-busting initiatives.

Strategy Framework for Part-time and Contingent Work in Non-unionized and Unionized Environments

Non-unionized Environments	Unionized Environments			
Management Strategies	Proactive Strategies		Labour Accommodation Strategies	Labour Resistance Strategies
	Joint Labour-Management Strategies	Labour Strategies		
<p>Management identifies core and contingent workforce requirements</p> <p>Management plans and operationalizes its HR staffing strategies</p>	<p>Joint labour-management committees assess needs and determine best strategies for meeting these needs</p>	<p>Labour organizations focus on organizing part-time and contingent workers they believe need the expertise (representation and negotiation) of a union</p>	<p>Bargaining and provisions that allow contracting out and the use of part-time and contingent workers under certain conditions (e.g., no layoffs, union wage rates to be paid, etc.)</p>	<p>Collective agreement provisions stipulate:</p> <ul style="list-style-type: none"> • no contracting out • no part-time workers • no contingent workers
<p>Demand flexibility is met through employer-designed policies and practices, which may include the use of part-time and contingent workers</p> <p>Management has discretion on numbers, sources, duration, etc.</p>	<p>Demand flexibility is met through the use of part-time and contingent workers</p> <p>Union concerns are dominated by level of wages, reasonable number of hours, access to benefits and training</p> <p>Creation of "flexible hours full-time jobs"</p> <p>Creation of "flexible content full-time jobs"</p> <p>Bargaining equitable wages and benefits</p>	<p>Labour organizations sell "membership" to individuals for services such as legal and financial advice, support and access to group-based insurance plans</p> <p>Use of union hiring halls for part-time and contingent workers</p> <p>Setting up job banks to match employer demands and member skills</p> <p>Managing benefits and pension plans, training and development programs using employer contributions</p>	<p>Demand flexibility is met through the use of part-time and contingent workers with restrictions such as conversion formulas, full-time/part-time ratios, caps on term duration or number of hours worked</p> <p>Negotiating work rules and due process for part-time and contingent workers</p>	<p>Demand flexibility is met through overtime and layoff/recall provisions, often with generous supplementary unemployment benefits provisions</p>
<p>Organizations' strategies are to optimize full-time employment and part-time/contingent workforce components to meet organizational objectives</p>	<p>Joint labour-management strategies are to problem-solve to find creative solutions that meet employer needs for numerical, operational and functional flexibility while meeting union needs for full-time jobs with decent salaries and benefits and access to training</p>	<p>Union strategies are to organize part-time and contingent workers, represent their interests by ensuring reasonable wages, a hope for full-time jobs and access to benefits at a reasonable cost</p> <p>Union strategies focus on public policy interventions to improve the conditions of working Canadians in part-time and contingent employment relationships</p>	<p>Union strategies focus on meeting short-term demand and securing the best "deal" for part-time and contingent workers in terms of wages and benefits</p> <p>Union focus is on converting part-time and contingent work to regular full-time employment</p>	<p>Union strategies focus on limiting the use of part-time and contingent workers</p> <p>There may be employer costs or penalties for using part-time and contingent workers</p>
<p>The organization unilaterally determines and manages its staffing strategies</p>	<p>Solutions will be customized at the firm and work group levels</p> <p>The staffing strategies and employment relationship are jointly determined and managed</p>	<p>Labour creates structures that will meet employer and worker needs in a "new employment relationship"</p>	<p>Labour accommodates employer strategies by negotiating specific terms and conditions</p>	<p>Labour resists employer strategies for flexibility</p>

Source: The Conference Board of Canada

CONTINGENT WORK: LESSONS FROM INDIVIDUALS AND ORGANIZATIONS

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Interviews with managers and focus group discussions with contingent workers associated with the case study firms have revealed significant insights that will be useful to organizations and governments as they explore the issues surrounding contingent work. This article summarizes some of the key lessons gleaned through the research.

Learnings from the Organizations

Planning for Staffing Needs

The experience of the case study firms in the management of the contingent workforce suggests first that there is no one “right model” for any company to follow in utilizing contingent workers. What is clear from the companies’ experiences, however, is that firms need to plan their human resource strategy carefully, including the use of contingent workers and how they will access them within the context of their specific business and business challenges. For the most part, the companies involved in the research have paid particular attention to their staffing requirements and have tied staff plans to their operational requirements. For example, through its planning process, Bell Canada knows exactly how many and what mix of staff will be required to meet its operational needs throughout the year, and at what cost. At Digital, as in the other companies, the planning process is an ongoing exercise. Company representatives of the manufacturing plant meet with staffing personnel at strategic times in the business cycle to discuss potential workload and to identify the numbers of workers needed and the specific skill sets required. Stringent tests ensure that the skills of the industry staff “match” the skill sets required in specific jobs.

Finding a Balance

Defining the optimal balance between core and contingent staff is also ultimately a strategic human resource planning decision. The Usability Group in Reuters, not unlike the other companies involved in this research, maintained a body of core workers (in this case, a contingent “core” of staff from various consultancies) to ensure consistency of the work,

quality of product and sustainability of the group’s culture. While the actual ratio will vary depending upon the business and its requirements, for Reuters, a ratio of one core Reuters employee to ten contracted people was felt to be optimal, partly as a means to win the acceptance of the group by “regular” staff and managers in the other departments in the company.

In Digital’s Kanata plant, when the company moved to a contingent – core staffing model, the manufacturing and assembly process was broken down into several steps, many of which could be carried out by relatively unskilled or semi-skilled labour. Digital made the strategic decision to rely heavily on contingent workers in the less-skilled positions, and wherever possible, to reserve “key” positions on the line (auditors, testers) for the permanent, experienced workers.

Understanding the Costs-Benefits of a Contingent Workforce

A constant challenge for companies is to manage the balance between workload, budgets and human resource requirements. In this regard, the companies’ experiences suggest that it is important to understand the costs-benefits associated with utilizing this workforce. Ideally, decisions regarding the future use of contingent workers are made once cost-benefit data are known. Over the past several months, the TD’s Your Choice program trained a certain number of its staff for some key positions in investments (e.g., mutual funds). These are specialized, certified positions and require an investment on the part of the company and the individual. Recently, several trained and certified staff have been lured to the bank’s competitors with the promise of full employment and/or better compensation. The bank is losing its key investment (training dollars), as well as significant talent. To date, however, the TD still provides this

training. The company has weighed the value (benefit) these workers bring to the company while they are there, against the costs of training them. For the bank, at least for the time being, the benefits of utilizing this flexible, skilled labour force outweigh the costs. Similarly, while the cost to the Reuters Usability Group of hiring the best in the world was extremely high, the end result was deemed worth the expenditures.

Attending to the Relationship with Temporary Service Firms

Whether to use a single staffing agency, several, or develop one's own is also, at least in part, a question of cost-benefit. The use of temporary service agencies as vehicles for recruiting and staffing short- and, increasingly, longer term positions is a growing phenomenon. It is clear from the case study firms, however, that once the decision is made to use an agency approach, it is important to attend to that relationship and to work closely with agency staff to ensure that the company's needs are met. This was recognized as an important strategy in the TD Bank and Digital. Managers at both Digital's manufacturing plant and call centre operations have worked closely with both Olsten and Kelly to ensure that the workers sent to them are qualified and meet the company's standards. Having agency supervisors on site, while initially causing some friction on the shop floor, helped to ensure that problems were dealt with quickly. Attention has also been paid to the agencies' relationships with their employees. In their contracts with Digital both staffing agencies have agreed to respect employment equity standards and principles, and in certain instances, managers of Digital have encouraged the agencies to bring some of their employment practices closer to the level of Digital's practices.

Defining the desired company – agency relationship early on is important. Expectations need to be clearly articulated. At Digital, weekly operational and monthly strategic meetings are held with staffing agency managers. The manager of the call centre in Hull knew in advance that he wanted a relationship with an agency that could “add value” to the company and his work group, not merely provide staff. In that context, he has developed a relationship with the agency that demands input from both the agency and the contingent workers regarding how to improve effectiveness and the workplace environment. In addition, this manager has ensured that the agency provides workers with a performance review every

three months, paralleling the practice he follows with his regular staff. In his view, this enhances performance and makes the workplace more equitable.

Defining the Desired Relationship Between Contingent Workers and the Organization

Within the context of a broader strategic and operational plan, organizations not only need to analyse the skills, knowledge or expertise they require from the contingent workforce at an acceptable cost to the company, but they also need to consider the relationship they desire. That is, it is essential to *know* what it is that a company seeks through its relationship with contingent workers. What are the expectations of the relationship? Do these expectations include some sense of “loyalty” and “commitment” to the job? To the company? Is it the expectation of the company that these workers will feel a sense of belonging? Does this matter? What are the company's expectations of the workers vis-à-vis the external customer? These questions require careful consideration, and the answers to them will act as screens or guideposts relating to all aspects of the relationship-including compensation, performance management, rewards and recognition, communication, inclusion in work teams, benefit structures, and so on.

All of the Canadian companies and Reuters have made particular decisions (both implicit and explicit) regarding the degree to which they involve contingent workers in their respective cultures and how they relate to them. Digital's manufacturing plant in Kanata and the TD Bank offer two points of view-each “right” for their specific business and for their operational needs. Out of a desire to avoid confusion over employment rules, Digital decided to emphasize the differences between regular and contingent workers as much as possible and entered into partnership with two external staffing agencies that are the employers of the contingent workers. The TD Bank, on the other hand, has created an internal staffing agency that ensures that these workers are integrated into the bank's culture and are intimately aware of the business.

In Bell, all human resource planning and relationships take place within a unionized environment. While decisions on staffing can be made, they are made within the confines of the respective collective agreements. The decisions about how to run particular groups, however, lie with the individual managers, and, as in all organizations, some are more inclusive than others.

The interviews and focus groups suggest that the relationship of companies to particular contingent workers is influenced by a number of factors including regulation, the type of work being performed and its immediate and long-term value to the company, and the degree to which contingent workers have contact with external customers. Decisions made within these parameters are of interest and may have implications for the future development of public and organizational policies.

Current regulation: The definitional criteria or rules surrounding employment and co-employment are important factors mediating the company's degree of involvement with contingent workers. While such criteria or "tests" are meant to protect workers in Canada, there may be some occasions when they actually hinder employee relations and negatively affect the contingent worker's experience with the work and the working environment. For example, a manager may want to provide specific support or career/job counselling or advice to contingent workers or may wish to ensure that the working environment is "welcoming" of contingent workers. Yet, in such situations, managers may be concerned that by being so involved, they might somehow violate the tests or criteria regarding employment status.

Circumstances such as these suggest that there is a requirement for companies to develop very clear guidelines for managers. Further, ambiguity and confusion suggest a need for policy makers in Canada to review employment legislation/regulation in the context of "what makes sense," taking into consideration the best interests of the worker and the need to allow businesses to meet their objectives in our ever-changing economy.

Type of work, customer contact and company

"value": The degree to which specific work tasks and processes are deemed to add value to the company plays a significant role in the decisions companies make regarding the employment relationship, compensation and benefits, rewards and recognition strategies, career or job counselling, and other workplace supports provided to contingent workers.

"Value" can be defined in terms of occupational level and skill sets or by the degree of customer contact required. If the skill sets are strongly desired by the company, as in the case of hard-to-locate specialized trades and very technical work, or if they involve a high degree of face-to-face customer contact, the company has a vested interest in ensuring they purchase (in the case of high-end needs) or support

(in the case of lower level skills but high customer contact) the type of workers they desire.

The research undertaken for this project suggests that the higher the "value" of the work to the company, the more organizations will endeavour to be inclusive and, in the case of higher end skills (especially those required "just in time" and in the short to medium term), provide levels of compensation that will bring in the best of these workers. In certain cases, high-end workers can command significant dollars for their skills – it is simply a case of supply and demand. (This certainly was the case with the Usability Group at Reuters.) On the other end of the "value" continuum is work involving lower level skills that support the organization's central work processes – but are not "core" – and/or work that is done internally without contact with the external customer.

Individuals who have direct contact with the customer – those who provide face-to-face or voice-to-voice support to customers – also tend to be on the upper end of valued work. The Toronto-Dominion Bank has developed a whole infrastructure to ensure that external customers receive a consistent level of high-quality service when they enter a branch of the bank. The telemarketing group and the student-staffed customer-service organization at Bell are two other cases in point. These workers are Bell Canada to the customer on the other end of the telephone line. As such, they receive the training and development they require to effectively deal with customers, and they are recognized in various ways for the work they do. According to the manager of the student customer-service group, "I tell them that their jobs are more important than the President's. And they are. They speak to many more customers every day."

Lessons from Contingent Workers

Not a Homogeneous Group

A key learning from the focus group discussions is that the "contingent workforce" is not a homogeneous group. As mentioned earlier, people engage in contingent or contract work or casual employment for different reasons. Some make a choice for lifestyle and personal reasons; others because they want to be "businesses of one" and enjoy the independence associated with self-employment. Still others do so because they want to build their experience until a "real" job comes along; and there are those who cannot find full-time regular employment, so contingent work is their only means to earn a livelihood.

As discussed previously, individuals also differ in how they define their own situations (positive or negative) and how they cope with employment fluctuations. They differ in their need for employment benefit protection, training and development opportunities and in their skill sets to market themselves to potential employers.

Determinants of a “Good” Work Experience

The experience of individuals with contingent work is mediated by a number of external and internal company factors, as well as several individual variables. As discussed above, the decisions the company takes as a response to employment regulation are important, as are internal company policies and practices related to benefits and compensation, unions and their role vis-à-vis contingent workers, and clarity in terms of the employment relationship.

At the individual level, there were three significant factors that influenced the positive or negative nature of contingent workers’ work experiences:

- choice and individual circumstance;
- equity and respect; and
- contingent managers’ styles and degree of inclusiveness.

First, those individuals who had chosen contingent work and/or who were not the sole breadwinners in their families tended to be more positive about their work experience than those who were doing it out of necessity. For workers associated with staffing agencies, the relationship with the agencies did not appear to be a strong factor mediating their experience with contingent work, although some felt a sense of security as a result of being associated with these firms since they perceived them as brokers for future employment opportunities.

Equity and Respect

Mostly the contingent workers participating in the focus groups articulated a desire to be treated fairly, equitably and with respect as individuals and as contributors to the firms for which they were working. This was as true of labourers as it was of professional workers, staffing agency employees and independent contractors. A culture of exclusion – one that labels contingent workers as “outsiders” – had been the experience of many focus group participants. While in some instances this was not interpreted as a negative factor, particularly by independent

contractors – the real “businesses of one,” many of whom, in fact, liked not having to deal with the day-to-day concerns of the office – many experienced this as a negative feature of contingent work.

Contingent workers are individuals as diverse in their circumstances, needs and capacities as any workforce in any organization. These individuals respond to and produce better in an environment that fosters equal opportunity, fair play and a positive learning culture. If organizations want the flexibility to staff up at peak times with *skilled, motivated* people, they need to transform their work cultures to be more welcoming of contingent workers and to modify their policies and practices accordingly. To the extent that worker satisfaction is increasingly recognized as being strongly linked to customer satisfaction, this is an important learning for organizations.

The Role of Managers

Managers/supervisors who create a culture of inclusion – one that values workers and recognizes and rewards them for their contribution – are rewarded by satisfied, motivated staff. The below-average turnover rate and high quality scores in Bell’s telemarketing group and the success of the Usability Group at Reuters have been attributed, in part, to the leadership of those groups and to the leaders’ ability to create working environments that are welcoming of and rewarding to contingent workers. On the other hand, in workplaces that create or sustain a culture of exclusion, Greg Garrison suggests, “the creative spark will die.” This is an important lesson that can be applied to all situations of employment, including contingent arrangements. Another key lesson from the Reuters experience has to do with ending relationships. Garrison believes that the way in which a project is finished is as important as the way in which it is started. In the context of contingent work, the way in which contingent workers are treated and let go signals to regular employees the company’s respect (or lack of respect) for people.

While managers and supervisors play a pivotal role in the contingent workers’ experience, they differ in their leadership skills and their capability to manage diversity. In this context, formal training in general management principles, time management and interpersonal relationships may increase their effectiveness. Even implementing processes that encourage managers to share experiences can be valuable. For example, one manager noted that there are several areas within his company that benefit

from the labour of contingent workers. As such, the manager and the contingent workers themselves hold a rich body of knowledge regarding what works and what does not. Sharing that knowledge is something companies should encourage. However, workload and a “stovepipe mentality” prevent this exchange of information from occurring. In this context, creating opportunities through cross-organizational managers’ meetings, or by other means, to garner and share experience would result in efficiencies and probably a more satisfied workforce.

Clarity of direction for managers is also important. In that context, almost half of the organizations recently surveyed by the Conference Board in an earlier phase of this project have implemented formal policies on the use of contingent workers.¹ Some have developed guidelines to help managers understand more fully their formal obligations to contingent workers and provide some tips on how to create more effective working relations. Digital Equipment, for example, recently developed a manual that provides key guidance and information to managers in the company across Canada. A second, more condensed version of the manual was developed for use by managers on the manufacturing side of the business. If used appropriately, this information can reduce legal risk, shorten the learning curve for improved management practices and create consistency of practice across the organization.

Conclusion

The changes that have occurred in the economy and in labour markets bring with them significant challenges for governments, businesses and labour. The lessons gleaned from this research and the literature suggest that some workers, unions and companies are better prepared to enter into new forms of employment relationships than others. Yet, it is projected that these forms of relationships will increase. This suggests a strong need for companies to develop the capacity – the knowledge, the policies and the cultures – to support and manage contingent workers in a way that adds value to the company and

to the individual. It means that governments will need to reassess policies relating to traditional employment standards and retirement protection in such a way that accounts for the transformations occurring in workplaces and in society. Governments and educational facilities in Canada also have a role to play in ensuring that the youth of today are better prepared for employment patterns that are more flexible than in the past. Unions, too, have a major part to play. They have assigned themselves a special role in our society – to ensure the equitable, fair and safe treatment of their members. If unions wish to continue to realize these goals and grow, they also will need to adapt.

Contingent workers need to inform themselves of their employment rights and responsibilities within the context of government rules and the particular organization, union and/or staffing agency with which they are associated. And they need to play an active role in defining their short- and longer-term financial and learning goals and seek opportunities to realize those goals.

The changing employment landscape has created significant opportunities for staffing agencies. These agencies will continue to play an important role in providing organizations with the staff they require, when they require them. However, these firms, too, are faced with the task of forging new alliances and staffing relationships. They must move *away* from merely being seen as temporary agencies brokering staff *toward* strategic partnering with organizations. In this context, they are increasingly being viewed as important employers in their own right. The challenge for them will be to make this transition.

In our rapidly changing environment, the development of new, workable patterns of practice and relationships will require ongoing communication and co-operation. The extent to which these new relationships will be successful will depend, in large part, on the degree to which they respect and build upon the diversity of views and needs of all the players.

¹ Patricia Booth, *Contingent Work: Trends, Issues and Challenges for Employers*, 192-97 Report (Ottawa: The Conference Board of Canada, 1997).

RE-THINKING CONTINGENT WORK

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While much talk about the "knowledge-based economy and society" or the "new economy" is speculative, there is no question that labour market structures are in the throes of massive change. Today's work changes are often set against the historical benchmark of the "standard employment model" that emerged after World War II. This referred to full-time continuous employment with a single employer at that employer's worksite. Of course, this portrait of a male work world did not describe the experiences of the growing numbers of women who entered the labour market in recent decades. Nor did it account for the growth and diversity of non-standard, or contingent, work arrangements.

Focusing on Employment Relationships

A decade of downsizing, outsourcing, reengineering, and a plethora of other management strategies to make workplaces more flexible and efficient have left many workers feeling insecure. On average, the pay, benefits, job security, training opportunities, and work content are inferior in non-standard work, compared with equivalent standard work. Also fueling this job anxiety is the scaling back of the social safety net. However, within temporary work and own-account self-employment – the main contingent work trends – there are workers who prefer this type of work and are doing well.

Overdue, then, is a rethinking of how we define and analyze contingent work. The growing diversity of forms and consequences of contingent work can be understood better by focusing on the underlying relationships.

Employment relationships are the building blocks of economic life, encompassing the rights, obligations, expectations, values and rewards that define interactions in the labour market. They support the "structures" of work. It is within employment relationships that social and economic public policy goals, ranging from productivity to the quality of life,

either meet or clash. A closer look at own account self employment and temporary work raise important issues about how employment relationships are changing.

Own Account Self-Employment

The rapid growth in self-employment is the most striking labour market trend of the 1990s. Between 1990 and 1998, self-employment accounted for 55 per cent of total job growth during. By 1998, 1.6 million Canadians were own-account self-employed, or 13 per cent of the employed labour force.

Downsizing, restructuring and contracting-out have partly fuelled the growth of self-employment. Some paid employees who have been laid off from larger firms have become consultants and independent contractors, doing many of the same tasks for their previous employer that they did as paid employees. Furthermore, sizeable numbers of self-employed choose this form of work to gain greater independence or for family or other personal reasons. These different circumstances and motivations for self-employment reveal a spectrum of employment relationships that need to be taken into account as part of a broader definition of self-employment. Work location is an

This article is based on the author's presentation to the British Columbia Human Resources Management Association annual Spring Conference, Whistler, B.C., May 1999. A fuller treatment of the issues raised can be found in the Canadian Policy Research Networks Discussion Paper, "Re-Thinking Employment Relationships." Both are available at www.cprn.org.

important consideration in this respect, given that the self-employed are numerous among Canada's home-based workers. Self-employment trends also are gendered, with very different consequences for men and women.

We can't draw a neat line between employee and self-employed when it comes to free-lancers and consultants. Some self-employed are simply disguised employees who are dependent on a single employer for work. Increasing mobility between paid employment and self-employment also blurs the distinction between these groups. Furthermore, most multiple job holding (a trend accounting for just over five per cent of the labour force) is found among the self-employed. In these cases, owners of small businesses or farms may hold a second job as an "employee" to augment their income. This situation raises questions about divided loyalties and efforts, as well as the stresses of juggling two jobs.

Outsourcing and public sector privatization have been linked with the rise of self-employment. Yet we don't know how these contractors are integrated into the business networks and spheres of influence of larger organizations. Examples cover the gamut, from the Y2K consultant on whom a large business becomes reliant, to female home-workers in the garment industry who have little say over production deadlines or quotas and required equipment. Embedded in employer-employee relationships are a range of obligations and entitlements, but these typically are absent from the business relationship between self-employed individuals and the clients to whom they sell goods or services.

Temporary Work

An increasing number of Canadians do paid work that is temporary in some respect, usually a specified end-date, the completion of a task or project, or the end of a season. This signals a major departure from the benchmark of the standard job, which had no specified end date. By 1998, 1.4 million or 12 per cent of all paid employees were temporary. Such jobs may be negotiated directly between individuals and employers through a fixed-term. Or workers may be employed by a temporary employment agency and contracted-out to client firms. This can cover a wide range of employment relationships. Some temporary agency workers identify more with the client firm or industry (such as engineers or computer professionals), others may not identify themselves as temporary workers if

they have had an on-going relationship with a one agency, while others will have fleeting connections with agencies and client firms.

The use of flexible employment practices has created a pool of contingent workers who are used for numerical flexibility (the "just-in-time workforce"), and core workers who are constantly adapting with new skills. Again, the diversity of approaches is remarkable. While most large Canadian employers rely on the external labour market for contingent workers, a few use their own internal "temp" agency that employees can transfer to if they desire flexible schedules. Furthermore, the entitlements of contingent workers, particularly pensions, benefits and access to employer-sponsored training, can vary considerably by firm characteristics and unionization.

Rights and Entitlements

One of the most vexing legal questions in today's labour market is "who is the boss"? There are no clear legal distinctions between "standard" employees and contingent workers. What matters in legal terms are the rights and entitlements, obligations and responsibilities, control over work, and ownership of tools and equipment. However, employment standards and labour legislation and laws governing employment contracts have evolved around a traditional model of full-time, permanent employment. The same can be said for occupational health and safety legislation, including workers' compensation, and public programs such as the Canada/Quebec Pension plan and Employment Insurance. Thus, the growing diversity of employment relationships poses challenges for reforming and adapting this institutional framework.

The spread of contingent work affects individuals' access to a range of benefits and protections. For example, some *Canada Labour Code* protections and entitlements are based on a minimum service of three or six months. Similarly, eligibility for firm-level benefits, such as pension coverage, medical plans and dental plans, are tied to minimum service requirements. The same applies for weekly hours, whereby part-time workers who do not meet a predetermined number of weekly hours are excluded from benefits. Labour legislation is geared toward a standard employee-employer relationship. Contingent workers find it very difficult to join a union and benefit from any gains or entitlements negotiated through collective bargaining.

Trust Relations

By its very nature, contingent work offers limited scope for creating a trust-based relationship, compared with on going and full-time employment. Of course, the latter is also changing, so we no longer can safely assume that all standard work arrangements rest on higher levels of trust than do non-standard relations. And some non-standard work situations require high levels of trust, such as the collaboration of several self-employed contract workers on a project or an on-ongoing relationship between a temporary worker and a single placement agency.

Research on human resource management practices suggests that two dimensions of employment relationships, trust and commitment, are preconditions for organizational innovation and productivity gains. This point is raised in discussions of how high performance workplace practices benefit both workers and employers. By the same logic, we also would expect that low levels of trust and commitment increase the chance that performance may fall short of objectives. In this sense, the quality of employment relationships in an organization can directly influence how effectively it meets its goals.

A loss of trust among core employees, coupled with a lack of skill and training in the contingent workforce, could lead to productivity or quality declines. Furthermore, the use of temporary workers can alter the division of labour. Hiring temporary workers into low-skilled and low-paid positions leaves full-time permanent staff with more complex, knowledge-intensive tasks. This could widen the gap between core and contingent staff, raising issues of equity and fairness.

If temporary workers such as self-employed consultants or contractors are recruited because of their specialized skill and expertise, entirely different dynamics are created. These freelancers are “managed” by core workers who often are paid less, possibly leading to morale problems. And in organizations aiming to become more knowledge-based, there is no incentive for the contractors to contribute to the stock of intellectual capital. A further concern is giving outside experts, who may later consult for a competitor, access to confidential and proprietary information.

Social and Personal Implications

Social relationships between co-workers are a source of work satisfaction, informal learning and networking. Thus, as the extent and quality of social relations vary across employment situations, there will be advantages and disadvantages for workers. Workers who are not in full-time, continuous jobs performed on-site will have less opportunity for social interaction. Temporary workers, for example, are unlikely to develop feelings of loyalty to the firm, which could be a problem in firms with high performance work systems that assume high commitment from everyone.

Also relevant is the extent to which contract workers rely on a single or multiple clients for work. Career opportunities depend on more than one's skills and knowledge; indeed, access to networks inside and outside workplaces is crucial for obtaining and succeeding in paid work.

Characteristics of the employment relationship have been associated with health and the quality of family life. What seems to matter is the extent of choice and control, not whether the employment form is standard or non-standard. For example, elevated stress levels could be a by-product of contingent work that is involuntary, rather than voluntary. Similarly, flexible work arrangements in some cases can be a source of increased job satisfaction and a better balance between work and family.

Human Resource Development Issues

For a growing number of workers, including some in standard jobs, the new norms of employability imply greater individual responsibility. Problems arise if those workers who are on their own, when it comes to acquisition of training, have limited resources, inadequate information about training opportunities locally, or can't afford the down-time training courses requires. Again, paradoxes arise. For example, while temporary and contract workers may be excluded from firm-specific training, their movement between employers may provide them with the opportunity to gather a range of valuable skills and experiences. Whether this outweighs the usual benefits of employer-sponsored training is an open question.

The growth of contingent work has important implications for training and human resource development within organizations. Firms are more likely to invest in employee training when anticipated

payoffs are high. A major barrier to training is the employer's concern that a recently trained worker will move to another employer – a condition that is built into most forms of non-standard work. Employers could include freelance contractors and temporary workers in formal training sessions. But this raises problems around the legal definition of “employee,” if providing such training implies that these individuals have an on-going relationship with the firm.

Also important to consider are working relations, particularly cooperation and communications. Depending on the tasks, work locations and schedules of contract or temporary workers, they may have limited contact with core staff. In addition to reinforcing their “outsider” status, this could result in needed information not being shared or in different expectations regarding what constitutes adequate cooperation.

Changing Roles for Unions and Professional Associations

Unions face two challenges in adapting to contingent work trends. The first revolves around meeting the needs of existing members in organizations where employment relationships have become “flexible”. The second concerns the difficulties of recruiting new

members among workers who are not in traditional employee-employer situations. New forms of craft and occupationally based unionism are being proposed as responses to this work restructuring. Some professional associations also are struggling to find effective mechanisms for addressing the changing needs of members who increasingly are self-employed or temporary workers. Enhanced training, benefits packages, and career networking are becoming more important, but the stumbling block often is the reduced ability of self-employed professionals to pay for these services.

Conclusion

With contingent work now encompassing more than one in five workers, it is time to move beyond describing the details of this trend by probing the changes it signals in employment relationships. Re-thinking contingent work in this way will facilitate a fuller understanding of its implications for individual workers, employers, unions and professional associations, and training providers. Governments, too, can play a constructive role adapting regulatory frameworks and human resource development policies to these new work realities

THE HUMAN RESOURCE MANAGEMENT CHALLENGE OF CONTINGENT WORKERS

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New Employment Relationships

There are a number of insightful analyses of the changing employment relationship: it can be described as market, bureaucratic or clan. Environmental forces are requiring a shift from traditional bureaucratic relationships. The traditional organizational-dependent contract is deteriorating under significant pressure from changed management philosophies and economic realities. Traditional contracts operated in a long-term setting and assumed the feasibility of predictability and functional specialization. Society was driven by manufacturing and product "engines" which were characterized by stability, growth, monopolistic markets and predictable technology.

Some have argued that the old psychological contract in which full-time permanent workers gave their loyalty to an organization in exchange for job security may have been replaced by an emerging new contract in which employers still expect loyalty, hard work and "value-added" to the organization. In exchange, organizations offer pay that reflects employee contributions and experiences and training that will give them "employability security" or the ability to get a job elsewhere. Employees will see the shift from the older contract to newer ones as a contract violation unless the changes are seen as necessary and legitimate. Violated contracts can cause managers problems such as loss of trust, anger and litigation. Management of the transition to a new psychological contract is especially difficult following layoffs, heavier work loads and major changes in career opportunities.

Table 1 contrasts assumptions under the old and new economic orders.

What is Contingent Work?

While most scholars agree on the increase in non-standard forms of employment such as part-time work, self-employment and temporary work, there is considerable debate over the magnitude, direction and character of these employment trends leading scholars to offer wide-ranging and often conflicting interpretations. Terms such as precarious employment, just-in-time staffing, peripheral employment, and contingent workers are being used to refer to the non-core employees within organizations. The United States Bureau of Labor Statistics defines contingent work as "any job in which an individual does not have an explicit or implicit contract for long-term employment. In essence, a contingent worker was defined as anyone who has a job currently structured to be of limited duration".

Figure 1 describes peripheral employment relationships as they relate to core employees. Core employees include full-time and regular part-time employees. Outside the inner circle of core workers are the first level contingent workers which include casual part-time workers, in-house temporary workers and direct-hire temporary workers. The next level of contingent workers include self-employed independent contractors and temporary employment firms such as Manpower, Kelly, Olsten, etc. Technology has also created another group of non-traditional employees, teleworkers who are based outside of the corporate office sites. Such employees may be part of the core, non-contingent group (as a working arrangement) but are often employed contingent upon particular contracts or work opportunities, thus may also be included with independent contractors.

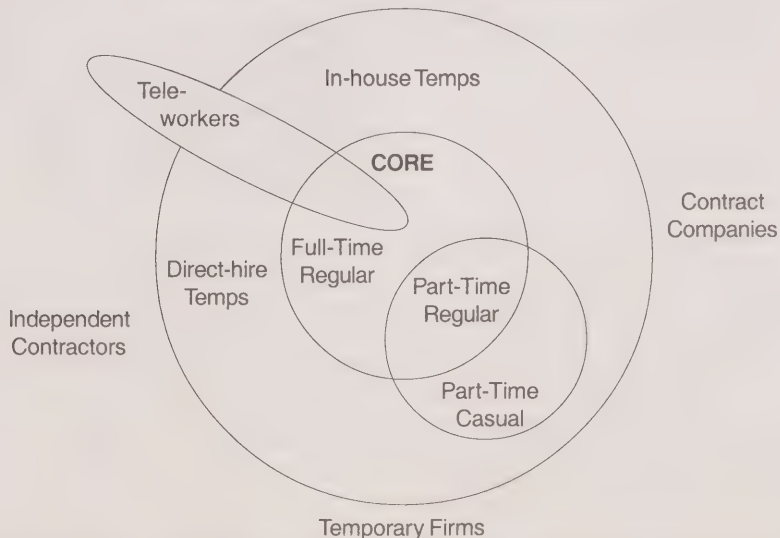
Table 1

Contrasting Assumptions of the Old and New Economic Orders

Issue Area	Old	New
Economic drivers	Commodities/manufacturing	Knowledge/technology
Job contribution	Organization job description	Individual contract task
Loyalty	Organization	Authentic skill sets
Career security	Organization	Marketable skills
Career progress	Onwards and upwards	Flexibility, intrinsic satisfaction
Rewards	Compensation/benefits	Contract fulfillment
Authority basis	Position status	Expertise, track record
Control systems	Human resources management administration	Client needs
Career counseling	Organization politics/Training and development	Portfolio and contract assessment
Career key terminology	Progress, commitment	Alignment, flexibility, marketing
Models	Career stages	The portable ("portfolio") career
Graphical representation	Career ladder	Portfolio, flexibility
Future growth	Recruitment	Outsourcing
Effectiveness measures	Efficiency	Strategic alliances, organizational matching

Figure 1

Peripheral Employment Relationships



Human Resource Management Implications of Contingent Work

Gender

There are associated gender issues in contingent work. Women still take on the majority of home and family responsibilities, and despite years of employment equity initiatives, women still largely fill clerical and service jobs particularly amenable to contingent employment relationships. All this might suggest that women would benefit from contingent work, but this is not necessarily the case. Women are often out of the power networks in regular office-based employment and so will be particularly vulnerable to the “out of sight, out of mind” downside on contingent work.

Legislation

Employers often favour contingent workers because they are able to consider them as independent contractors rather than employees, and as such to reduce many of the costs associated with the employee status. However, the government and courts of Canada don't care what employers call the relationship; they look only to the true nature of the relationship. Revenue Canada's criteria include the degree of control exercised by the employer, ownership of the tools required to do the work, the chance of profit and the risk of loss and the extent to which the work done by the worker is integrated into the employer's business. The consequence of inappropriately calling a worker an independent contractor may result in fines and awards of back pay and benefits.

Human Resource Management Objectives

Traditionally, human resource management strategy involves not only analyzing and weighing the human resource implications of strategic decisions but also making strategic decisions based on human resource analysis. Under the new assumptions, strategic human resource management would deal with these issues but would focus on the definition of core competencies and which employee groups would be considered “core”. This strategic level would be closely aligned with human resource planning to determine what aspects of the firm's activities could be contracted out or dealt with on a contract basis.

Organizations with a large component of permanent employees are particularly focused on job analysis, selection, recruitment and training and development functions. Because employees are a long-term investment decision, success in these areas leads to longer term effectiveness for the organization.

Organizations with a large component of contingent workers may focus differently on these functions. For example,

- Instead of dealing with the pattern of positions in the organization, it may concentrate on understanding the skill requirements needed to accomplish the contract. Rather than identifying the best individuals with long term potentials, the organization focuses on locating individuals with the precise skill set needed for accomplishing that task or contract.
- Rather than developing progressive supervisory and management training programs, the organizations seeks out individuals with the required skills sets; the responsibility for acquiring these skills rests with the individual.
- Orientation activities change from a socialization focus, providing new long term employees with an understanding of the organization's culture and expectations, to a specific focus on contract and performance definition. This includes an introduction to specific individuals and policies needed for meeting the requirements of the contract.
- Performance management and career planning activities become short-term in orientation. Instead of a system to evaluate individual performance and potential over the longer run and to promote improvement, the organization specifies output measures for the contract employee and determines for which contracts each individual is suitable.
- Compensation shifts from an internal orientation to an external one. Internal pay equity determines much of an organization's pay structure in traditional organizations. External pay comparisons become the focal point for contract employees. The type of questions that drive this new orientation are: how much must we pay for quality work for this contract? What is the likely competition for the skills that we need to hire?

- Health and safety issues are more problematic for contingent workers. Procedures have to be developed under existing legislation. Safety competence, knowledge of policies and procedures may be emphasized in the contract definition or in the orientation stages but safety knowledge and the skills needed to ensure a safe working environment may become part of the contracting criteria.
- Labour relations shifts from negotiating and administering collective agreements to negotiating the terms of entry and exit of contract employees. In unionized companies, it is likely that the proportion of core to contingent workers will be an item of discussion and bargaining.

Differentiated Human Resources Practices

If structure follows strategy, then the new Human Resources department would reflect a new organization strategy. Policies and levels of service are differentiated according to employee types.

- Core employees receive the “benefits” of the traditional human resource structure.
- Temporary employees, because of the nature of their tasks, receive minimal human resource support other than being treated fairly.
- Contract employees receive the human resource function support needed to develop effective contract functions.

These changes reflect a major shift in responsibility in the organization. Human resources officials need to be able to assess skills quickly and accurately in order to ensure that contract can be completed

appropriately. Contract definition becomes a major component of activity. Human resources officials assist the manager in the definition of contract outcomes and in the management of these contracts to ensure completion. Human resources officials develop networks for brokering of skills through providers and inventories to facilitate access to these skills when needed.

In response to growing numbers of contingent workers, Human resources management becomes more externally focused and more responsive to immediate performance concerns. Longer term issues such as career development and compensation ladders continue to be a concern for only the relatively smaller group of core employees.

Despite the attractiveness of contingent work, it is not without controversy. While offering employees flexibility, contingent work does not necessarily increase the power of employees over their own work. Moreover, managing contingent workers requires additional supervisory and management skills than those required in managing traditional employees.

Research is needed to establish the best match of human resources practices with a workforce of contingent employees. This research will have to establish both what these best practices are and whether they constitute a competitive edge for an organization if supported by congruent human resource policy. The essential element of the required shift in strategic direction involves a move away from filling long-term positions towards the matching of skill portfolios with contract requirements.

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NEW TYPES OF WORK AND THE LAW: THE QUEST FOR CLARITY CONTINUES*

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The objective is thus to take stock of this new contemporary reality: the presence, apparently in growing numbers, of individuals who seem to float within the structure of society and fall into the cracks without ever finding a proper home. [TRANSLATION]

Robert Castel

Globalization and technological changes have dramatically altered the way corporations function and are structured. The changes affect not only the corporate and organizational aspects, but also the technological and human aspects of the production of goods and services.

Structural changes are reshaping the corporate world. Companies are looking upon outsourcing of corporate services, "externalization" of costs, flexibility in the organization of work, and restructuring or downsizing of the work force as ways of optimizing the division of work. The reality is that corporations are taking on new shapes (international decision-making centres, proliferation of subsidiaries, networks of sub-contractors). The resulting employment relationships are increasingly complex and are giving rise to a broad spectrum of categories of employee.

The nature of the work relationship is bound to be affected by all this. Some people work at home for themselves or for an employer, others work on a temporary basis, and still others work on a permanent basis or on call, as subcontractors or in other types of work.

The impact on the legal framework to which workers are subject is inevitable. The labour force is made up of workers with clearly defined traditional legal status and workers whose legal status is not as clear. Simply put, some workers enjoy the benefits of salaried work, while others lack some or all of those benefits or else wallow in uncertainty.

If new types of work had specific legal status,¹ they would be easier to explain to Canadians. The role of law must not be misconstrued or underestimated, however, because economic, political and social factors all come into play in the issues raised by new forms of work.

* This paper draws on a working document entitled "The Legal Regime for New Types of Work" prepared by the author and published in 1998 in English and French for Human Resources Development Canada. The findings and opinions in this paper are those of the author and do not necessarily reflect the views of Human Resources Development Canada. In that regard, the author would like to thank Laurent Quintal, Senior Policy Advisor, Labour Program, Policy Development, Human Resources Development Canada, for his invaluable assistance.

The author would also like to thank Gilles Trudeau, full professor and thesis advisor, and Diane Veilleux, associate professor, both of the University of Montreal's School of Industrial Relations, for their invaluable comments.

¹ "Status" refers to an individual's place in a corporation and consequent role. "Legal status" is defined broadly as the set of rules and institutions which are applied to persons in order to integrate them into society or a professional setting (work, home work, and so on) and which allow them to play a role; strictly speaking, it covers all conditions of employment. The very existence of a status indicates recognition of a specific, individual state; without it, there is no state. In other words, it is the difference between recognition and marginalization and, in some cases, between protection and a precarious existence.

Examining new types of work inevitably raises questions about the importance of work in the lives of Canadians (from a socio-economic perspective). Governments play a key role in this area; because they are central in the decision-making process, they are able to promote or discourage the development of new types of work, to make or not make them subject to rules, or to delegate the task to the marketplace or social partners.

Are there in fact new types of work? Can we accurately use the word "new?" Are we making new types of work subject to the traditional rules of salaried work or to their own set of rules? Is there a specific legal status for new types of work?

This paper examines these issues and, as the title suggests, urges readers to think about this emerging reality, gain a sense of what it entails, clarify the concepts involved and begin to establish a legal framework.

On the eve of the year 2000, as new information and communications technologies are revolutionizing the workplace, it is useful to discuss new types of work. The numbers bear witness to this fact yet sometimes fail to accurately portray what is happening. Because many different terms are used to describe this phenomenon, guidelines should be set in order to clarify the situation. These are the points that will be discussed in Part 1.

From a strictly legal standpoint, labour law, which has always covered wage-earning, albeit wage-earning in a traditional sense, now has to break away from the past and take these changes into account. In these circumstances, how does labour law distinguish between traditional workers and independent contractors or between independent contractors and dependent contractors? That question will be explored in Part 2.

The Reality of New Types of Work: Scope of the Phenomenon and Clarification of the Concepts

Many new phenomena have come on the scene in the workplace over the past decade and have done much to undermine the traditional benchmarks, characteristics and definitions associated with this field. The development of innovative organizational practices and the emergence of new types of work are very much part of these events.

The appearance, or more precisely, the consolidation, of new types of work has raised **new questions about the traditional definition of work and the accompanying legal framework**. This has produced a certain lack of clarity, even some anarchy, not only in the definition of new types of work, but also in the way they are treated in law.

1— Yardsticks

The emergence of new types of work is reflected in numbers for Canada as a whole as it is for all Western countries (see Part 1.1), but are these "new" types really new (see Part 1.2)?

New Types of Work: A New Reality for Canada?

The emergence of new types of work can be attributed to a number of factors. Economic, technological, historical and sociological factors together account for their growth today.

Some authors have focussed on the organizational configuration of the business of tomorrow. They predict that the departure from the traditional model of employment relationships will grow and grow. For example, people will work less and less in an organized location, and assurance of a salary or a steady flow of work will be increasingly rare.

The Traditional Definition of "Worker"

A wage earner hired by a single employer for a full-time position in an organized setting. The position is permanent and stable and normally offers career opportunities through seniority, by obtaining qualifications through training or by meeting the employer's own evaluation and promotion criteria. The wage earner receives regular compensation in return for his or her work. The employer contributes to the worker's benefits by paying into the various plans (pension, employment insurance, health insurance and workers' compensation). The union tries to act as an intermediary and improve employer-employee relations and working conditions. Any type of work that does not meet all the criteria of this traditional model will be considered a "new type of work."

But are these really “new” types of work? Most authors analyse and identify these types of work not as a new phenomenon, but as a growing one. Take the case of telework for example: some people have always worked far from the centre of production (at home or in some other location set up for the purpose). What is different now, however, is that information technologies make telework so easy. On an introspective level, the nature of the work has changed: workers are expected to demonstrate self-reliance, initiative, adaptability and creativity in addition to doing their job. Clearly, the employer-employee relationship is becoming more and more fragmented; to keep it from falling apart altogether, the obligations of workers are increasingly oriented toward results rather than means.

In short, “non-standard” types of work have always existed. However, the development of new modes of communication, coupled with economic changes, means that the nature of salaried work is evolving at an unprecedented rate and that the whole phenomenon is being questioned.

From a purely legal standpoint, two terms are generally used to classify employment relationships: contract of service and contract for services. The emergence of new types of work has changed nothing in that respect. Only the case law has evolved and established specific criteria for distinguishing between the two terms in order to apply one or the other to new types of work. In many ways, however, some connections remain difficult to pin down. That is why the only way to legally describe the nature of an employment relationship has until now been to look at **each case individually**.

Does this represent a new challenge in terms of the rules which govern Canadian society? The Canadian labour relations system, which focusses primarily on the collective bargaining of working conditions, was designed from the traditional concept of salaried work. In view of that fact, new types of work pose unique problems in Canada today. The emphasis on the collective voice demands new and original solutions for dealing with these types of work. How can these workers be represented collectively? What role must unions play in dealing with the phenomenon? Can collective agreements be considered reliable tools capable of reaching and adequately representing these

workers? Are the principles of union recognition and the monopoly of union representation still appropriate?

Unions are faced with a major challenge: finding a way to adequately represent the workers of tomorrow. Among the considerable obstacles are compartmentalization of activities, isolation of workers and a less-than-perfect legal framework. From that standpoint, the experiences of other countries may provide insight and serve as inspiration for legislators, provided that the unique features of Canadian labour relations and changes in those relations are placed in the proper context.

New Types of Work: The Numbers Say it All

If we go back to the definition of the traditional type of work (see *The Traditional Definition of “Worker”*) and look at it in the light of quantitative data, we obtain the following result: it is a permanent (73.9 per cent), full-time (62.3 per cent) employment (83.7 per cent) relationship based on a regular schedule (51.3 per cent). The work is performed in a workplace (56.3 per cent) for a single employer (50.4 per cent).² What this means in absolute terms is that only one third of Canadian workers hold a job of this type.

These figures show that the majority of today's workers are in a standard or typical employment relationship. They also bear witness to the fact that a sizable percentage of the labour force does not fit the traditional pattern of work relationships. There are basically three ways in which new types of work differ from the traditional model: **time, space and nature of the relationship**.

Time

Working hours remain a key element in analysing work relationships and changes in those relationships. Long a sign and symbol of social victory, time is still a very revealing indicator in terms of understanding the reality of new types of work.

The traditional work relationship is characterized by a permanent arrangement and working hours that are spread regularly over a work week. The emergence of new types of work has disrupted that order by gradually rearranging hours of work.

² Human Resources Development Canada, Applied Research Branch, Strategic Policy (internal document).

The amount of time devoted to work has changed in recent years. The normal work week today averages 37.¹³ hours. However, 24 per cent of workers – 8 per cent more than 20 years ago – work fewer than 35 hours a week. Part-time work, in many cases involuntary, is actually growing faster than full-time work. In tandem with this trend, somewhat paradoxically, an increasing proportion of workers put in more than 37 hours a week without receiving any additional pay or being paid at a higher rate.

It is also clear that telework or home work and project work are helping to shift the boundaries of working hours. Where, then, do the limits of working hours lie?

Space

The space in which the work relationship is carried out is normally centralized in an organized workplace belonging to the employer. However, new types of work have changed all that. Today, 6 per cent of paid workers work at home.⁴ Telework is contributing to this shift in space through the use of sophisticated communications technologies that can make distances inconsequential. Work can be performed in a variety of places, either for practical reasons (proximity to clients) or for cost-related reasons (lower infrastructure costs).

The results of this trend raise many issues, such as the means companies have to use to integrate isolated workers into the company; the status of the space in which the work is done; the property used to perform the work; and the benefits workers may gain and the responsibilities they may face. Another question is this: what can be done to forge anew the ties among workers that are essential to union activity?

Nature of the Relationship

Accompanying the shifts in space and time are changes in the very nature of the relationship

between workers and their employers. Generally, the relationship is becoming more solitary and at times more complex.

More Solitary

Self-employment is growing steadily. The number of self-employed individuals in Canada has more than doubled in 20 years, and according to current estimates, one in ten workers is self-employed.⁵ The isolation of self-employment is reflected in the worker's relationship, particularly the worker's reporting relationship, which is substantially altered. The employer has seemingly less control because the worker has more independence.

More Complex

The employment relationship, which in the beginning was bipolar and exclusive, has grown so complex that it is now often referred to as a network relationship. Workers loyal to one employer now tend to hold down two or three jobs. Between 1976 and 1997, the number of people with multiple jobs more than tripled. Today, **one worker in twenty** has a second job or works for a second company.

The emergence of multiple employment is accompanied by another phenomenon: the work relationship is drifting with increasing frequency toward a triangular relationship as a result of the increase in subcontracting (order giver, order taker, worker) and the involvement of personnel agencies and temporary agencies⁶ (user of labour, temporary work contractor, temporary employee). However, the figures show that agencies still make only a minor contribution (2 per cent of non-permanent labour in November 1995). More recently still, consortiums of individual contractors or order givers have begun to emerge.

³ Geoff Bowlby, Jacques Lévesque and Déborah Sunter, "Hours of Work," *Labour Force Update* Catalogue #71-005 XPB (Summer 1996), p. 3-43

⁴ Statistics Canada 1991, quoted by Sylvie Saint-Onge and Geneviève Lagasse, "Conditions de succès du télétravail : qu'en disent les employés ?" (1996) 21 *Gestion* 83-89, p. 83

⁵ See on this topic: Lucie-France Dagenais, Sylvain Archambault, "Des travailleurs autonomes et précaires : Éléments d'un diagnostic et pistes pour des solutions à la protection sociale de ces travailleurs," Commission des droits de la Personne et des droits de la Jeunesse Québec (C.D.P.J.Q.), December 1995, 69 pp., p. 5

⁶ Lee Grenon and Barbara Chun, "Non-Permanent Paid Work" *Perspectives on Labour Income* #75-001-XPE (Fall 1997), pp. 21 to 31

The combination of all these elements is creating a web so complex that it is difficult to determine who the employer is.⁷ Moreover, the way power is exercised in labour relations and the intensity of that power are changing; people are working more independently, with less supervision but more responsibility, in specialized fields. The initial characteristics of the labour contract are thus diluted and raise questions about the related consequences (for example, in terms of social welfare).

Time, space and the nature of the relationship are three of the elements contributing to a shift away from the traditional model of work. The result is types of work with an almost-infinite range of variations and components, making for tremendously confusing terminology. For that reason, we need to shed more light on these concepts.

1.2 — Definitions and Typology of New Types of Work

A range of terminology is used in the literature to designate new types of work, making it difficult at times to know what we are dealing with and whom we are talking about. In that context, it would be useful to try to establish a classification. We have identified two main categories: types or organization of work, and status of work.

Types or Organization of Work

The quest for greater flexibility in the context of the “new economy” has prompted organizations to change their structure. Many organizational changes have come about as a result.

Subcontracting, while not a new phenomenon, has grown dramatically in recent years, partly because of the nature of the goods or services subcontracted. Some services previously performed in-house have been farmed out (externalization, outsourcing). Increasingly, these are services which are central to the organization’s activities, such as customer service. It is very likely that this trend will increase in the future and create special links, perhaps even dependence, between subcontractors and organizations which subcontract services.

The same is true of **home work**. Piecework still accounts for some of what is produced by home workers, but knowledge work now holds a significant share; it requires imagination, self-reliance and a sense of responsibility on the part of the worker.

Telework is perhaps the epitome of new types of work, since it was made possible by the advent of new technology. Work is becoming delocalized; it is being moved into workers’ homes, satellite offices and neighbourhood electronic centres or is simply becoming mobile. And finally, there is one other type of work: **personnel agencies**. Instead of hiring staff themselves, companies turn to agencies that can supply the workers they need or loan them for a specific length of time.

This category, then, encompasses the new types of company management and the way companies use paid work. It includes the types of corporate arrangements that can assure organizational performance by allowing greater flexibility. The question here is hardly one of status; however, the impact of the organizational configuration on the status of the worker can be seen indirectly.

Status of Work

Status of work means the position and situation arising from the work relationship. It is divided into two parts: **worker status** and **employment status**. When a work relationship is established, there are statutory consequences attached both to the worker as a person and to the position itself or the work to be done.

Worker status combines the characteristics of the individual worker and the worker’s links with the organization. The worker may be self-employed, a dependent contractor, or even salaried. The relationship the worker maintains with the organization can range from very distant to very direct, very regular to very sporadic.

Employment status combines the characteristics of the position, including the duration or frequency of the relationship. The terms used to describe employment status are part-time, temporary and casual.

The proposed typology was developed on the basis of the recurring themes found in the literature on new types of work. It was devised for the purposes of

⁷ Gilles Trudeau, “Temporary Employees Hired Through a Personnel Agency: Who is the Real Employer?” (1997) *Canadian Labour and Employment Law Journal*, No. 3, p. 359-375

clarification and classification, and in that sense, other typologies are perfectly acceptable. Furthermore, the categories presented here are not mutually exclusive. This typology must therefore be used with a great deal of flexibility, as the boundaries between the

categories are not cast in stone. Overlapping and combinations of elements are bound to be encountered in any study of the status of new types of work.

Typology of New Types of Work		
Organization of Work	Status of Work	
	of workers	of employment status
• Telework	• Self-employed worker or independent contractor	• Part-time
• Subcontracting		• Full-time
• Home work	• Dependent contractor	• Permanent
• Temporary help agency	• Employee	• Casual
• On site		• Seasonal

The complexity and diversity of statuses and types of work show how difficult it is to draw sharply defined boundaries. The boundaries are constantly shifting, shrinking, expanding or becoming juxtaposed. Has labour law helped make matters any clearer?

2 – Labour Law and the New Reality

The labour force includes salaried workers, independent contractors, home workers, and so on. From a legal standpoint, despite the variety of terminology, there are only **two types of contract: contract of service and contract for services**. A separate body of legal and judicial rules applies to each type of contract. For example, contractors or service providers are free to use whatever resources they wish in executing the contract and by the same token have the right to refuse to let the client become involved in the process. Salaried workers, in contrast, do not enjoy the same degree of freedom. The legal distinction therefore occurs on a fundamental level. What elements characterize the difference between contracts of service and contracts for services?

A fine line

As we saw above, new types of work are altering the traditional work relationship on three levels: place, time and nature of the work. Further, work is

being performed more and more through other legal forms, such as a contract for services, which sometimes borrows traits from a contract of service and vice versa. A contract of service is generally the exception, and a contract for services, the rule, the jack of all trades, so to speak. As Malaurie and Aynes⁸ explain, a contract for services has almost limitless potential from a legal perspective. It is the contract used when one person wishes to hire another person to produce a physical object or knowledge work or provide a service. Its conceptual openness allows this legal tool to cover builders and knowledge workers alike, those who have imagination and expertise and make one work for the other and vice versa. The line between a contract of service and a contract for services is still hard to draw, partly because of the conceptual similarity and partly because of the expandability of contracts for services; still, the line is there.

These two elements combined mean that the **distinction between a contract of service and a contract for services is becoming slimmer** and more refined. The content of some contracts or of the work relationship (where there is no contract) muddies the waters because the contract terms and/or the work relationship include features of two different types of contract: a contract of service and a contract for services.

⁸ Philippe Malaurie and Laurent Aynes, *Droit civil – Les contrats spéciaux*, 7th ed. (Paris: Cujas, 1993), No. 700

This ambiguity breeds confusion and uncertainty for the parties, who are not sure which type of legal rules to apply. How can we know which set of rules applies to a contract if the nature of the contract is unclear? The law answers that question through legislation and through jurisprudence.

The challenge of making distinctions

The challenge of drawing a line between a contract of service and a contract for services raises the delicate problem of **determining and assigning “protective status,”** that is, a set of specific obligations and rights pertaining to the worker.

For some, new types of work differ from the salaried work model in order to avoid the various constraints encountered when assigning “worker” as the legal status, that is:

- institutional constraints (such as the presence of unions);
- organizational constraints (the advantages of flexible and temporary organizational structures);
- financial constraints (the advantages and disadvantages of certain types of status from a tax perspective, for example, or the benefits associated with “employee” status).

Does labour law, which applies only to employees, intend to bring under its protective wing workers who are without question a significant part of tomorrow’s labour force? On what grounds would it do so? Labour law was obviously built around two main principles – realism and a social mission – that would logically justify a reaction from labour law to the changes currently taking place.

First, labour law has a **social mission**. The general principle of common law and civil law on which any contractual relationship is based is that of freedom and equality of strength between persons. But labour law doctrine, whether in a civil or common law system, seriously challenges that belief. It draws attention to the inequality of the parties and the inability of the market alone to restore balance.

For practitioners of labour law, employees offer their labour but demand legal protection that can compensate for the inequality that is said to be inherent in the power relationship between employer and employee. Labour law is built on this

fundamental principle. Historically, it has gradually moved away from the broad principles of common law to focus more on the social dimension and to artificially restore, through the law, equality in the power relationship. This social and protective mission is incorporated into all labour legislation, because market laws alone cannot meet an objective of this kind. This is what makes labour law unique.

Inextricably linked to its protective mission, labour law endeavours to take into consideration the realities of the workplace and life in the working world, in other words, **the principle of realism**. Labour law adapts or creates rules that reflect the orientation of society and social practices, customs, changes and evolution.

These two broad principles, realism and protection, are to some extent called into question by new types of work. Labour law is therefore faced with a dual challenge.

2.1—A Dual Challenge for Labour Law

The first threat lies at the very heart of labour law today and is thus internal. The second, in contrast, comes from outside.

The Threat from Within

Because labour law has historically been called upon to provide protection and also be adaptable, the emergence of new types of work poses a challenge to its evolution. Labour legislation, created essentially to establish a framework for a traditional model of employment relationships, is ultimately incomplete or in some cases ill suited to new types of work.

For example, Quebec’s Labour Standards Act stipulates that the regular work week does not apply to home workers; this means that a home worker’s hours of work cannot be controlled. Is it not possible to come up with a standard other than a standard of exclusion? To take another example, Quebec’s Labour Code still does not include dependent contractors in its definition of “employee,” whereas the case law does just that. Moreover, the structure of employer-employee relationships set out in Canadian labour legislation is not easily adapted to new types of work. These are just some examples of the lack of adaptability in labour law and the inability of labour law to protect these workers.

The External Threat

Labour law has a protective mission and considers itself to be progressive. The **exclusion** of workers because of specific characteristics could, according to some authors, **reduce the influence of labour law** and that is how new types of work pose an external threat. Some authors contend that the remedy lies in extending the application of labour law to some new types of work. And it is that very extension, by no means self-evident, which poses problems.

Just as subordinate workers in various sectors in the 19th century sought the protection of social legislation, which until then had been reserved for industrial workers, many workers engaged in new types of work today are seeking the same considerations. Considerations may not be the right word, since independent contractors have more in common with a large family that shows signs of being more **divided** than united. In other words, some are contractors in spite of themselves, as much out of feelings as from any legal perspective, while others wear their independence as a badge of honour and have absolutely no wish to become subject to labour law.

In dealing with this problem, labour law has until now refused to embrace all occupational activities. As a result, it has left a “free-trade zone” in the labour force for contractors, some of whom are true contractors while others are contractors in theory only. Labour law therefore has a responsibility to unmask the false contractors, a challenge it is endeavouring to meet in order to extend its coverage. This is being achieved through a comprehensive legal analysis of the relationship between suppliers of work and workers.

As matters stand, only case-by-case analysis can accurately define the nature of a contract. A number of proposals have been put forward by unions in order to eliminate that uncertainty. The idea is to establish a **presumption of wage earning** in favour of the person covered by the bargaining unit. This means that the bargaining unit could therefore include dependent contractors and self-employed workers, making it incumbent upon the employer to challenge the representativeness of the unit with compelling evidence. This solution appears to be a worthwhile approach and one that would not be uncommon, as many countries have already chosen to move in that direction.

2.2— Drawing Boundaries Through Law — Uncertainties Inherent in the Distinction Between Salaried and Non-Salaried Workers

From Theoretical Boundaries to Real Boundaries: Case Law

Boundaries in the plural: such is the law’s current contribution to understanding new types of work. Throughout Canada, much has emerged from doctrine or the courts marking the difference between a contract of service and a contract for services. **On a theoretical level, the distinction is drawn with great clarity today.** In reality, however, the distinction is much less clear. It is thus left to judges to decide when a case comes before them. No formal criteria are yet available for slotting a type of work into a specific legal category without detailed knowledge of the circumstances. A **case-by-case approach** is essential. The principle of realism described earlier takes on its full meaning here. The courts do not rely at all on the content of the contract; only the actual conditions under which the work is performed provide a basis for a decision in favour of such status. Nor can the courts decide straight away that the performance of a specific activity falls within the confines of a contract of service rather than a contract for services. For example, the mere fact of having signed a subcontract is not sufficient grounds to remove from a worker the status of salaried worker.

In that respect, the law teaches everything except systematization; it advocates caution and belief in the reality of the relationships and nothing more.

The tests used are different in kind and each requires a weighing of facts, while leaving much discretion to the judges as to the significance of the various facts to be considered.

H.W. Arthurs, D.D. Carter, J. Fudje,
H.J. Glasbeek and G. Trudeau

Methodology for Distinguishing Between a Contract of Service and a Contract for Services and Between a Salaried Worker and an Independent Contractor

Once a case goes to trial, it is up to the judge to determine the nature of the relationship that has been established between the two parties. Judges have to

describe the situation in legal terms in order to determine whether the case involves a contract of service or a contract for services. Two factors come into play in a judge's assessment.

The first is whether the law in fact applies to the case. The judge does this by interpreting the legislative provisions in order to then decide whether the situation brought to light by the evidence falls within the scope of the legislation. Throughout this process, the judge of course keeps in mind the general thrust of the legislation. The application of tax laws and labour standards laws requires two very different approaches: in the case of labour standards, the aim will be to protect the employee and apply the minimum standards and those that are most beneficial to the employee; in the case of tax laws, the goal will be to get the taxpayer to pay.

The second factor the judge must consider is an **analysis of the conditions under which the employment relationship is exercised**. Case law and doctrine have developed criteria which facilitate such analysis. It is worth noting that what is being done in Canada is no different from what is being done in England or France. At the end of this painstaking process of case-by-case analysis, an accurate

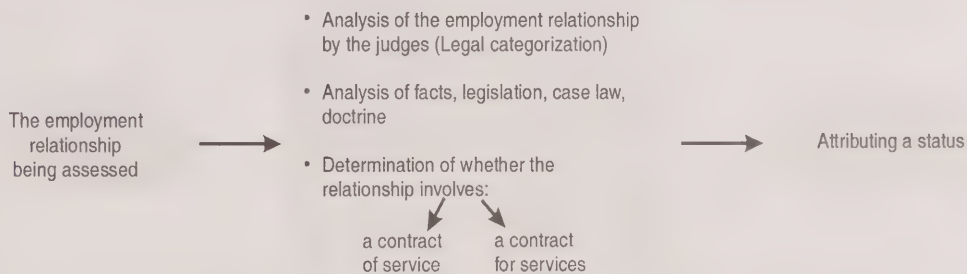
distinction can be made between a contract of service and a contract for services; this is the process of legal categorization. The process consists in "clothing" the facts in legal attire, or in other words, identifying, based on the facts, the elements which make it possible to determine the nature of the contract and define the applicable standards. Nothing, not even the choice made by the parties, binds the judges, unless that choice is supported by the facts.

The criteria are essentially **indicators** but must never be viewed as absolute. They have evolved over time as a result of changes in the area of work. Flexibility, adaptability and common sense are therefore required.

No magic formula can be propounded for determining which factors should, in any given case, be treated as determining ones. The plain fact is that in a large number of cases the court can only perform a balancing operation weighing up the factors which point in one direction and balancing them against those pointing in the opposite direction.

P. Atiyah

The Legal Process of Categorizing the Employment Relationship



Distinguishing Criteria

The first major decision which listed these criteria was made in 1947. It set out four indicators which could be used to distinguish between a contract of service and a contract for services. In what came to be known as the "**fourfold test**," Lord Wright identified four factors, each of which must be analysed in light of the facts submitted. Subordinate work is subject to labour law; it is normally performed in a designated workplace according to a prescribed timetable by an

employee working alone without any assistance paid for by the employee. The tools and raw materials the employee needs to perform the work are supplied by the employer, and the employer monitors performance and the expected result.

In contrast, an independent contractor or self-employed worker is someone who **controls his or her work, provides his or her own tools, has an opportunity to make a profit, and assumes the risk of loss**. Each of these elements is a test to be

applied when a problem of categorization arises. Analysing the overall situation makes it possible to determine the legal nature of the contract.

These criteria are still in use today, although three new indicators have been added.

1. First, it is important to **analyse the terms of the contract**. For example, is the contracting party an individual or a corporation? In the eyes of judges, however, it is not enough to consider appearances alone. The legal veil has to be lifted, the actual content of the agreement analysed, and a determination made as to whether execution of the contractual relationship falls under a contract of service or a contract for services.
2. Second, it must be determined whether there is a **relationship of legal subordination** between the worker and the supplier of work. That relationship is examined from five perspectives, each of which constitutes an indicator. This is a key criterion because only employees can be in a state of legal subordination.
 - **Personal performance:** It must be determined whether the work has to be performed by the individual personally. If the individual freely joins forces with a third person who works under the individual's direction and can easily fill in for the individual, the worker is deemed to be an independent contractor.
 - **Monitored performance:** When monitoring and supervision of the worker's performance are immediate, it can be concluded that there is an employment relationship (what to do and how to do it). However, this criterion has undergone many changes, each one introducing greater flexibility. With employees becoming more and more independent, working away from the production centre, acquiring advanced training and embracing the latest in communications technologies, this notion of monitoring and supervision has to be adapted and relativized.
 - Another test – the “**organization test**” – has made it possible to strengthen the solution afforded by the preceding criterion and reach employees who work more independently, such

as professionals and highly skilled workers. The purpose of the test is to determine whether “the person who has undertaken to perform these services is performing them as the person in business on his own account.” In other words, the aim is to determine whether the person is part of the organization. It matters little whether the worker carries out the bulk of his or her professional activities away from the company's premises. The key point is still monitoring of the activity, in short, determining whether the worker is accountable. For that reason, judges have endeavoured to incorporate changes in the workplace and labour relations into their analyses.

- **Ownership of tools** is the fourth indicator but is by no means a determining factor, since many employees own their own work tools. To confirm the secondary importance of this indicator, we point out that a person may, conversely, be deemed an independent contractor even if the tools are provided by the client.
 - Lastly, an independent contractor is characterized by **the opportunity to make a profit and risk of loss**. Of course, this criterion must not be confused with human resources management policies which compensate employees (commissions, performance bonuses). That being said, if income is set at the outset based on a predetermined hourly rate, with no risk of loss, all traces of chance vanish and independence is no longer an issue. Care must be taken, however, because a contractor can just as well be paid by time, as in the case of a self-employed automobile mechanic.
3. Still motivated by this concern for realism, judges developed the economic realities test, the third and final new criterion, as an extension of the organization test.

The key test is as follows: when an individual is required to perform personally and on a regular basis to the satisfaction of another for the duration of the contract, the contract is a contract of service.⁹ [TRANSLATION]

Gaston Breton inc.

⁹ Gaston Breton Inc. v. Union des routiers, brasseries, liqueurs douces et ouvriers de diverses industries, local 1999, (1980) T.T. 480

In that case, even though some elements suggest that the contract is a contract for services, the economic realities of one of the parties point to the conclusion that there is a relationship of subordination. Two factors support that view: the exclusivity of the contract, and the terms and conditions of compensation. Clearly, when most of the work time is devoted exclusively to one company and the work is the person's primary source of income, there is usually a tendency to rule in favour of the employee. Judges look upon economic realities as a key element in determining whether the contract is a contract of service.

Determination of the type of contract is vital. The connection in law between the parties produces a number of legal effects specific to the nature of the contract. The appearance of independent work will be destroyed if economic realities are corroborated by other facts pointing to a contract of service. In that case, the judge's or the commissioner's redefinition of the contract for services as a contract of service forces the parties to deal once again with the rights and obligations associated with the actual contract.

Distinguishing Features of a Contract of Service and a Contract for Services

Contract of Service Master-Servant Relationship

Employer – Employee

- Personal performance of work
- The employer directs the work, i.e., subordinate relationship
- Responsibility for employees (servants)
- Equipment supplied by the employer
- Compensation fixed or set
- Integration in the organization
- Economic dependence

Contract for Services Lease and Hire of Services

Client – Contractor

- The contractor is not in a subordinate relationship with the client. The contractor acquires skills as he or she sees fit
- Independence based on mastery of a skill or skills
- The contractor is answerable to the client for all his or her mistakes
- Ownership of tools
- Profits and losses
- Freedom in performing the work: how and by what means

To summarize, the determination of an employment relationship is actually based on criteria distinctive from those defining a contract of service. These criteria, developed over many years of case law, make it possible to objectively describe the employment relationship in a large percentage of cases. Far from being a panacea, these criteria nonetheless allow each case to be analysed. Unhappy with the situation, doctrine, with the support of case law, gave thought to further clarifying the situation by introducing a new category of worker: the **dependent contractor**. This idea was subsequently taken up in the law and in the case law. A new category was thus created: dependent contractor.

For some authors, the advent of this criterion was necessary or augured well for the future, while for others it was useless. The aim then was to combine those who are part employee, part contractor in a single, intermediate category that was to cover "parasubordinate" workers. Clearly, however, the advent of this concept has not eliminated all the problems that arise in distinguishing between a contract of service and a contract for services.

In conclusion, the boundaries established by labour law to distinguish between employees, dependent contractors and independent contractors are fluid, despite efforts to bring about systematization. Tied to the will of the parties and to government standards and their ultimate objective, the distinction between a contract of service and a contract for services is as rich and diverse as the facts contracts try to frame. This makes it easy to understand how closely simple solutions have to be examined. The definitions are flexible; they are narrowed or broadened in order to exclude or include elements found on the fringes, with a measure of common sense, of course. Judges

It would allow labour law to cover first those small contractors who provide their clientele with a product whose supplier, to whom they are frequently tied in an exclusive relationship, is capable, in fact or in law, to set the purchase and resale price, thereby exerting economic control over them. [TRANSLATION]

Robert P. Gagnon

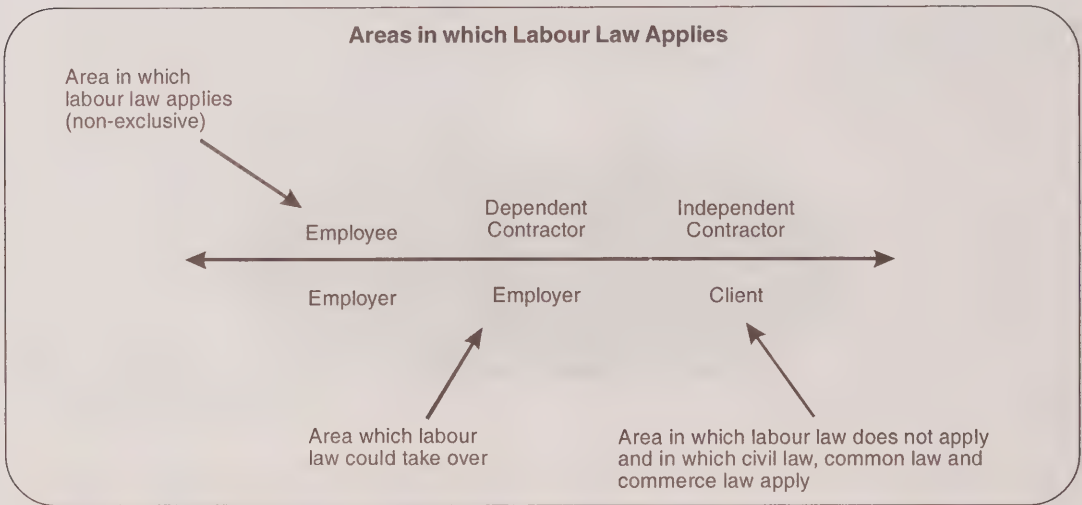
remain the primary custodians of these concepts. They are the ones who settle disputes. Examination of the context, interpretation of the specific provisions and consideration of the objective of the statute in question are some of the means that can be used to find a solution; however, the solution must still be specific to the case.

Some authors deplore the degree of subjectivity judges bring to their analysis of situations. The fact is that case-by-case analysis is what sets the boundaries between the various types of employment relationship. That process combines objective criteria, such as analysis of the content of a contract and actual working conditions, and subjective criteria, such as "social benefit." The range of indicators makes it reasonably possible to conclude objectively whether the contract is or is not a contract of service.

Is **legislative intervention** in this area a good thing? Granted, statutes contain many definitions, such as the definitions of "employee," "dependent worker" and "independent contractor," but do we have to go beyond

that, as some countries do, and legislate for a specific type of employment, such as home work? Is there not a danger that special statuses will proliferate, simply adding to the confusion? Perhaps what we need to do is harmonize the definitions in all statutes, which until now have been a function of the specific legislative objectives.

Is an assessment based on case law, which has been the most common approach, socially acceptable? Are the tools made available to judges and the parties appearing before them an effective way of encompassing and providing an adequate framework for all new types of work? If so, why is there still talk of **the precarious nature of new types of work**? Is the law, in particular case law and statutes, incapable of addressing the specific needs of these new types of work? Is the growing complexity of labour relations an obstacle to acceptable social protection? If it is, we have to face the sad fact that **contracting skill** is above the law and nothing, not even the judiciary, can stand in its way.



3— Conclusion

Beyond all the questions, the preliminary analysis of the legal statuses of "new types of work" undertaken in this paper brings three points to light:

- the realities of new types of work are still relatively poorly understood, and the statistical reports on this subject are unequivocal; it is still hard to grasp all the nuances of these situations;

- this imperfect knowledge means that the normal vocabulary used in this field is imprecise; for example, how many different situations are covered by the term "self-employed worker?"
- lastly, it is hard in most cases to refer to "new" types of work; strictly speaking, "changing" types of work would be a more accurate term.

From a strictly legal standpoint, what emerges is that **new types of work are not clearly subject to their own legal status**. We continue to equate them with employees by using the notion of dependent contractor, or with independent or self-employed contractors. Those labels do not always reflect the true situation.

Two main points emerge from our analysis: the law has taken into account the specific nature of new types of work, but that recognition remains reactive and incomplete. Three factors can be used to assess the legislative efforts made thus far with respect to new types of work:

- the terminology used in the legislation: does the vocabulary take new types of work into consideration?
- accessibility of standards: how much access do they have to labour standards?
- specific provisions introduced by the legislator: what has been done to pass legislation dealing specifically with new types of work?

It is not uncommon to encounter groups of workers who are excluded from the benefits of labour legislation, yet many of those workers lie at the heart of the problems associated with new types of work. In that sense, their exclusion does not address the difficulties they are currently facing, but seems to correspond more with a strategy of avoidance. That conclusion must not, however, be allowed to overshadow all the significant advances that have been noted in each of the preceding categories, particularly in the *Canada Labour Code*, where provisions have been introduced to set out guidelines for the relationship between teleworkers and their bargaining unit. Still, not all of the efforts that have been made have resulted in new statuses.

Further, a status can also develop as a result of consistency between statutes. Our review shows that the case law uses the same categorization criteria to distinguish between an employee and an independent worker; to that extent, we can say there is harmonization.

Yet only rarely is the designation of workers uniform from one statute to another, because statutes have different aims. In practical terms, and all legal reasoning aside, this situation breeds inconsistency. For example, a person who is considered a self-employed worker for the purposes of tax legislation may be considered something else for the purposes of labour laws. This clearly shows that a worker can have more than one status.

The reality of new types of work is complex. Governed by changes in location, employment and scheduling arrangements, new types of work are volatile and heterogeneous. The relationships devised for a traditional type of work still do not lend themselves to the application of labour laws because those laws have more to do with the job than with the worker as a person.

This overall picture of the legal status of new types of work suggests many potential approaches for the future:

- most Western countries¹⁰ are faced with the same problems and are trying different means of solving them; studying those means in search of inspiration would be useful;
- collective agreements throughout Canada often include provisions covering these types of work; samples of those provisions could be pulled out in order to draw up a report;
- finally, many associations have been created for the purpose of representing classes of workers by sector or occupation. Two lessons can be learned from their work. These associations come about because all the members have common interests. The objective then would be to determine who those people are, what interests they wish to defend and what means they plan to use.

Should we facilitate the transposition of legal principles or principles established by case law to new types of work that are denied the benefits of labour laws? Should labour law move in the direction of standardization or differentiation? Should some professions be regulated, as has been done in the

¹⁰ For a general discussion of this issue in Europe, see Alain Supiot (ed.), "Au-delà de l'emploi – Rapport pour la Commission européenne," Paris: Flammarion, 1999, 320 p.; and "Le rapport Supiot," *Droit Social*, Special Issue (May 1999), pp. 431-473

past? Might it be possible to create a blended status that comprises elements of employee status and elements of free enterprise?

It is often said that benefits should follow the worker and not the job, so that workers who move from one company to another can cumulate rights beyond the confines of any single company; this would be done through new affiliation criteria such as a "**contract of activity**."¹¹ However, that option hardly seems realistic because it would call for revamping of the benchmarks already in place.

It appears that **independence in the midst of dependence** is a feature of new forms of work. Closer links between salaried work and the new types of work are conceivable; witness the emergence of the notion

of dependent contractor. The fact remains, however, that they will always be unique. Perhaps it would be wise to consider creating an intermediate category that would place salaried work and self-employment side by side, that is a **right of dependence**.¹²

Since these "new" types of work function far from the core of the company, a broader organizational space must be created and equipped with new tools capable of reaching the men and women who occupy that space. This link must simultaneously cover individual relationships and collective employment relationships so that the workers can be fully integrated and take an active part in a social and working life that has been entirely recast.

¹¹ Briefly put, a contract of activity is a contract that includes a subcontract of service which follows the employee throughout his or her working life, that is, whether the employee is on training, working, on leave or unemployed. It can also come about as a result of an agreement between the worker and other parties, such as business networks, chambers of commerce and private or public institutions. Proposal made in France in Jean Boissonnat, "Le travail dans vingt ans", committee report, La documentation française and pub. O. Jacobs, Paris, 1995; suggested for Canada by Guylaine Vallée, "Pluralité des statuts de travail et protection des droits de la personne : quel rôle pour le droit du travail?" *Relations Industrielles* Vol. 54, No. 2, 1999, pp. 277-312

¹² Contracts governing an occupational activity in which one of the contracting parties (the person concerned) finds himself or herself reliant for his or her existence or survival on the regular, non-arm's length or exclusive relationship that he or she has established with the other contracting party (the non-arm's length partner), with the result that he or she is placed in a situation where he or she is economically dependent on the other party or under that party's domination. [TRANSLATION] Georges J. Virassamy, *Les contrats de dépendance – Essai sur les activités professionnelles exercées dans une dépendance économique*, coll. Bibliothèque de droit privé, Paris, L.G.D.J., 1986, p. 10. See on this topic: Alain Coeuret et al., *Les frontières du salariat*, coll. Thèmes et Commentaires, Montiligeon, éd. Revue Juridique d'Île-de-France et Dalloz, 1996, 160 p.

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SELECTION OF RECENT CHANGES IN CANADIAN LABOUR LAWS

Adopted Bills, Regulations and Other Statutory Instruments

Michel Gauvin and Denis Dupont
Labour Law Analysis, Strategic Policy and Partnerships
Labour Program, Human Resources Development Canada

Manitoba: Proclamation of The Employment Standards Code and Consequential Amendments; Manitoba Gazette Part I of March 27, 1999

The Employment Standards Code and Consequential Amendments (Bill 28), which was described in the Workplace Gazette (Winter 1998), was brought into force on May 1, 1999.

Manitoba: The Essential Services Amendment Act; Bill 27 Assented to June 1, 1999

Effective on a date fixed by proclamation, this Act amends *The Essential Services Act* to extend its application to the City of Winnipeg, as it pertains to ambulance services.

Ontario: Fairness is a Two-Way Street Act (Construction Labour Mobility), 1999; Bill 17 Assented to May 4, 1999

The Lieutenant Governor in Council is authorized under that Act to issue regulations prescribing areas of Ontario to which the Act or certain of its provisions apply and designating other provinces or territories as jurisdictions to which this new legislation applies in whole or in part. The designation of a province or territory may only take place if the Lieutenant Governor in Council is of the opinion that it has engaged in unfair, discriminatory or restrictive practices with respect to the construction industry.

The Act contains five Parts dealing with construction contractors, construction workers, the transportation of aggregates (e.g., sand, gravel, earth, stone, asphalt, etc.), retail sales tax enforcement, and a number of general matters, including the establishment of a Jobs Protection Office, enforcement of the Act and the power of the Minister of Labour to make regulations.

With respect to construction workers, every person residing in a designated jurisdiction and who is or will be doing construction work in a designated area must register with the Jobs Protection Office.

The Director of the Office must register an individual, if he/she:

- provides satisfactory evidence of work experience in a prescribed trade, occupation or construction activity;
- pays a registration fee; and
- satisfies any other requirements prescribed by regulations.

In addition, if the person seeking registration is or will be working in a prescribed trade, occupation or construction activity for which a certificate, registration or any kind of authorization is required in the designated jurisdiction, he/she must provide evidence satisfactory to the Director of the Jobs Protection Office of that certificate, registration or authorization. If that person is or will be working in a prescribed trade, occupation or construction activity for which a certificate, registration or any kind of authorization is required in Ontario, he/she must also provide evidence satisfactory to the Director of that certificate, registration or authorization.

A registration is effective for one year.

On the request of a person residing in Ontario, the Director of the Jobs Protection Office may exempt a specified individual from complying with the above requirements concerning certificates, registration and authorizations with respect to a particular project if that individual is working for the Ontario resident, and, in the opinion of the Director, his/her skills are necessary for that project and, due to a shortage of those skills, no resident of Ontario is available to carry out the work.

A Jobs Protection Office is established to:

- register construction contractors and workers from designated jurisdictions in accordance with the *Act*;
- co-ordinate the enforcement of the new *Act* and legislation prescribed by regulations;
- co-ordinate information sharing among ministries and other bodies enforcing the new *Act* and prescribed legislation;
- provide information and assistance to Ontario construction workers and contractors seeking opportunities in a designated jurisdiction; and
- monitoring access by persons from Ontario to construction job and business opportunities in a designated jurisdiction and reporting to the Minister concerning that access.

The Minister has the power to designate as inspectors employees of the government of Ontario, of a municipality or of any other body administering or enforcing legislation or by-laws referred to in the *Act* or regulations. Their powers are laid down in the *Act*. Fines are provided for a contravention of the *Act* by an individual or a corporation.

The *Act* will come into force on May 22, 1999.

Ontario: Designation under section 25 of the *Fairness is a Two-Way Street Act (Construction Labour Mobility)*, 1999; Ontario Regulation 321/99, Ontario Gazette of May 22, 1999

This Regulation provides that, effective May 22, 1999, Quebec is a designated jurisdiction for the purposes of the *Fairness is a Two-Way Street Act (Construction Labour Mobility)*, 1999.

Ontario: General Regulation under the *Fairness is a Two-Way Street Act (Construction Labour Mobility)*, 1999; Ontario Regulation 326/99, Ontario Gazette of May 22, 1999

Among other things, this Regulation provides that an individual residing in a designated jurisdiction is exempt from the *Act* if he/she is regularly employed by the government of Ontario or a municipality, a school board, public hospital, university or college of applied arts and technology or an industrial establishment. In addition, it contains a schedule listing prescribed trades, occupations and construction activities for the purposes of Part II of the *Act* dealing with construction workers, and states that apprentices registered in Ontario with a valid contract of apprenticeship, who are residents of a designated jurisdiction, are exempt from that Part of the *Act*. Also, construction workers residing in a designated jurisdiction who are qualified under the Interprovincial Red Seal Program are exempted from providing evidence of a certificate or other authorization for prescribed trades, occupations and construction activities. This Regulation came into force on May 22, 1999.

Nova Scotia: *Occupational Safety General Regulations under the Occupational Health and Safety Act*; N.S. Reg. 44/99, Royal Gazette Part II of May 21, 1999

Comprehensive *Occupational Safety General Regulations* containing revised and updated safety requirements have been adopted. Two sections of the *Occupational Safety General Regulations* relating to demolition work took effect on April 28, 1999. The rest of the Regulations will come into force on October 1, 1999.

The new *Occupational Safety General Regulations* apply to all workplaces to which the *Occupational Health and Safety Act* applies, unless otherwise specified. They deal with numerous topics, including the following: personal protective equipment; ventilation and lighting; handling and storage of material; lock-out of certain machines, equipment, tools or electrical installations; hoists and mobile equipment; mechanical safety; tools; welding and cutting; electrical safety; confined space entry; building safety; construction and demolition; excavations and trenches; surface mine workings; and equipment for firefighters.

The *Occupational Safety General Regulations* require compliance with a number of standards. In a number of cases, a piece of equipment (e.g., protective footwear) must meet a specified standard. In other cases, the Regulations require equipment to be inspected/operated, or a particular activity to be carried out, in compliance with a referenced standard. Most of the standards address hoists and mobile equipment, personal protective equipment for firefighters, and electrical safety.

In the absence of manufacturing specifications or applicable standards, the *Occupational Safety General Regulations* require certifications establishing that certain equipment is in safe operating condition. These certifications, in most cases, must be carried out by an engineer. Certifications are also required, in some cases, where equipment is altered. In addition, in some instances, the Regulations allow employers to obtain engineering certification for a particular design or activity in place of a specified requirement of the Regulations. The employer is responsible for payment of any relevant engineering fees.

The *Occupational Safety General Regulations* also require periodic, and in some cases daily, inspections of specific categories of high risk equipment. This requirement builds on a requirement of the *Occupational Health and Safety Act* according to which an employer with 20 or more regularly employed workers must include provision for regular inspections of its workplace under the occupational health and safety program.

In addition, an employer developing or reviewing a written policy or procedure for the purpose of the Regulations is required to consult with the occupational health and safety committee or representative, if any.

The *Occupational Safety General Regulations* replace the *Industrial Safety Regulations* and the *Construction Safety Regulations*.

For additional information on Canadian Labour Laws, please visit the Labour Program Website at:

<http://labour.hrdc-drhc.gc.ca/>
and click on "Canadian Labour Law Information".

YESTERDAY AND TODAY...

Information on Canadian Occupations

*Suzanne Payette
Workplace Information Directorate
Labour Program, Human Resources Development Canada*

Fifty years ago...

The Labour Gazette (1949:949) reported the release of occupational monographs issued by the Department of Labour... To meet a growing demand for specific information on Canadian occupations, the Department of Labour prepared a series of booklets and pamphlets, the first of which were issued in July 1949. These publications were of interest to Canadian youth facing the problem of choosing a life occupation, to parents, teachers, employment service officers and all others interested in guiding youth into the right avenues of employment as well as to workers and trade union officials.

Initially the series would consist of monographs describing in detail seven of the trades of the construction industry. Plans were underway to cover a wide field of other skilled occupations and professions. A booklet dealing with 16 professional occupations in national science and engineering was nearing completion and several other booklets and folders were in advanced stages of preparation.

Today...

The National Occupational Classification is the key tool developed by Human Resources Development Canada to classify and describe more than 25,000 job titles associated with 522 occupational unit groups in the Canadian labour market. The classification system is based on several years of extensive occupational research and analysis and was introduced in 1993 to replace the Canadian Classification and Dictionary of Occupations which was used from 1971 to 1993.

The updated version presents a new structural context for the Canadian labour market, reflecting occupational changes that have taken place over the last two decades in terms of evolving main duties and changing skill requirements.

Occupational data collected through a number of sources: the census, the labour force survey and administrative data. The information can be used in labour market research and analysis for occupational supply and demand analysis, for human resource planning, for training needs identification, and for occupational research and graduate employment surveys. Occupational research facilitates decisions about immigration, employment insurance, employment equity and other labour market policies. An occupational classification system provides a framework for describing different occupations, for developing recruitment and selection criteria and for understanding career paths at the individual and organizational levels.

A CD ROM version of the National Occupational Classification will be available shortly. It will allow access to different searching methods including by skill type, skill level, occupational title, and keywords. This tool will be very useful to individuals making career or transition decisions as well as human resources specialists staffing positions within organizations.

For additional information contact:

*Human Resources Partnerships Directorate
Interprovincial Partnerships and Occupational Information Division
Human Resources Development Canada*

*Telephone: (819) 953-7454 Fax: (819) 953-8700
Internet: www.hrdc-drhc.gc.ca*

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Client Services

The Workplace Information Directorate is your source for up-to-date, customized information on industrial relations and collective bargaining.

By meeting your specific research needs, we can assist you in preparing for and supporting the resolution of issues at the bargaining table. We can also help you keep abreast of developments in the industrial relations field through our information service and publications.

Our resources are used by negotiators, researchers, economists, consultants, journalists, teachers and many others. In Canada and abroad, members of the industrial relations community in the private and public sectors regularly call on the Workplace Information Directorate.

Workplace Gazette

A quarterly publication providing data on wage adjustments from major collective bargaining settlements by industry, sector and region; detailed analysis of select provisions in major agreements; comprehensive and in-depth information on innovative workplace practices in Canada resulting from collective bargaining; a quarterly calendar of major collective agreement expiries and reopeners; and, a chronological perspective on work stoppages in Canada. It also features articles or case studies on pertinent industrial relations matters. Annual subscription: Canada, \$125 plus 7% GST (\$133.75); other countries, U.S. \$125.

The Wage Settlements Bulletin

Monthly (12 issues). Provides the most up-to-date information and analysis of major wage developments in collective bargaining in Canada. The Bulletin is a valuable and recognized reference source providing statistical and analytical information illustrated with useful charts and tables on recent wage developments in Canada. The aggregate data and details are published in the following groupings: public and private sectors, regions and jurisdictions, and major industry groups. Annual subscription: Canada, \$200 plus 7% GST (\$214); other countries, U.S. \$200. (Available by fax or by mail).

Collective Bargaining Bulletin

A monthly publication containing timely information based on recently signed major collective agreements in Canada. The publication focuses on summaries of changes to wages and benefits in selected settlements, the status of key negotiations as well as data on work stoppages in Canada. In addition, a listing of formal and up-to-date reports of major settlements is provided and copies are available by calling the Workplace Information Directorate at 1-800-567-6866 or (819)997-3117. Annual subscription: Canada, \$50 plus 7% GST (\$53.50); other countries, U.S. \$50.

Directory of Labour Organizations in Canada

Annual. Includes information on all types of labour organizations in Canada: national and international unions, independent local unions, central labour congresses and certain other union groups. Included for each union are the names of officials, addresses and telephone numbers, membership figures, the titles of publications and the date of conventions. Aggregate statistics on union membership are also included. Bilingual. Canada, \$26.95 plus 7% GST (\$28.84); other countries, U.S. \$26.95.

For further information contact the Directorate:



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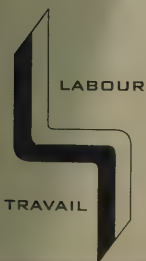
Workplace GAZETTE

An
Industrial
Relations
Quarterly



1999 Vol. 2, No. 4 Winter

- Unions, Inequality, and the Distribution of Income in Canada
- New Developments in British Anti-Discrimination Legislation
- Merit Award Program for Initiatives in Employment Equity



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the Social Science Employees Association and the Public Service
Alliance of Canada.*

AT A GLANCE

The *Workplace Gazette* presents a wide range of information and analysis to meet the ever-changing needs of the industrial relations community. Its purpose is to provide a sound base for research in support of the bargaining process.

The *Workplace Gazette* includes information and analysis on wage adjustments, collective agreement provisions, innovative workplace practices, work stoppages, upcoming key negotiations and other related topics.

Section 1

In this issue, Section 1 includes the year 1999, third quarter data on wage adjustments in major collective agreements, both current and historical by public and private sectors, by region, by jurisdiction and by major industry.

Section 2

Section 2 provides information on major collective agreement expiries and reopeners for January, February and March 2000. Also included is an overview of pension plans provisions dealing with age for eligibility and years of service for major agreements in force by industry sector over the ten-year period, 1988 to 1998. Information on work stoppages for the third quarter of 1999 is provided.

Section 3

Section 3 summarizes innovative practices in the workplace resulting from collective bargaining and offers a number of case studies and articles. Case studies include a project of labour-management workshops in Canadian transit systems; and partnership, participation and tensions at the Abitibi-Price Paper Mill in Alma, Quebec. A breakdown in participation and partnership at Cascades Jonquière Inc. while a successful work reorganization at Scott-Kruger in Crabtree, Quebec are described. A study of the innovations over the period 1991 to 1998 at the Atlas Stainless Steels Plant is also featured.

In this issue, an article by Chaykowski and Slotsve highlights the distribution of income in Canada; information is provided by sex, age, industry and unionization status. An article by Oliver describes new developments in British anti-discrimination legislation. The Employment Equity Merit Award winners for 1999 are highlighted and past recipients are mentioned. Porter summarizes some of the key messages on recent bargaining strategies and outcomes delivered during an address to Labour Program employees by Canadian Auto Workers' President Hargrove.

Recent changes in *Canadian Labour Laws* focus on adopted bills, regulations and other statutory instruments.

Yesterday and Today describes the evolution of records of employment from the original stamps and employment books to an electronic version of such records which should reduce employer burden of paper records and curtail data entry workload.

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Information Products and Client Services
(See last pages for Description and Order Form)

SECTION 1

MAJOR WAGE SETTLEMENTS* – THIRD QUARTER 1999

Summary

- Annual base rate wage adjustments averaged 2.3 per cent for third quarter 1999; an increase from 2.0 per cent in the first half of 1999 (see Chart A)
- There were 63 major collective bargaining settlements reached during the third quarter covering 168,350 employees
- Public sector employees averaged 2.4 per cent, an increase from 1.9 per cent in the first half of 1999, while private sector employees averaged 2.3 per cent, the same wage gain as in the first half of this year
- The trend towards longer contract duration continues into the third quarter with the 63 agreements yielding durations averaging 37.1 months; the first three quarters have averaged 36.6 months
- Wage adjustments were highest in the Federal jurisdiction at 3.4 per cent; the lowest in British Columbia at 1.3 per cent
- Wage adjustments, by industry, were the highest in Transportation, Communication and Other Utilities at 3.4 per cent, well above the all-industry average of 2.3 per cent; the lowest were in the Construction sector at 1.4 per cent

Chart A

Major Wage Settlements Average Annual Percentage Increase in Base Rates



Source: Workplace Information Directorate

* Major settlements are those involving bargaining units of 500 or more employees. All wage rate adjustments over the term of these agreements, including those arising from cost-of-living clauses (COLA), are taken into account. The yield of such COLA clauses is estimated on an assumed 2.0 per cent annual increase in the Consumer Price Index.

Overview

Base rate wage adjustments from major collective bargaining settlements ratified in the third quarter of 1999, averaged 2.3 per cent annually over the contract-term. This is up from the 2.0 per cent average in the first half of 1999, and 1.6 per cent for the year 1998. Wage adjustments so far in 1999 (January-September) have averaged 2.1 per cent.

The third-quarter 1999 results are based on a review of 63 settlements reached in the period, with a coverage of 168,350 employees. When the parties to these settlements previously negotiated, with contract durations averaging approximately 31 months, the resulting wage adjustments averaged 1.5 per cent, compared to the 2.3 per cent gain in their most recent third-quarter settlements.

Since troughing in mid-1994, the overall size of wage adjustments has trended upwards, though moderately, and the 2.1 per cent gain so far in 1999, remains well below the most recent annual peak gain of 5.6 per cent in 1990. Also, since 1993, average wage adjustments in the private sector have generally been above those in the public sector, although the gap has been narrowing since late 1997.

Public sector wage adjustments averaged 2.4 per cent in the third quarter of 1999, an increase from 1.9 per cent in the first half of this year, and 1.6 per cent for the year 1998. In the private sector, settlements reached in the third quarter provided wage adjustments averaging 2.3 per cent, the same wage gain as in the first half of this year, but up from 1.8 per cent for the year 1998.

The trend towards longer duration contracts in the 1990s has continued into 1999. The 63 contracts reached in the third quarter of 1999 covering 168,350 employees, yielded contract durations averaging 37.1 months. Settlements reached in the first three quarters of this year have been on average, with a duration of 36.6 months; if continued into the fourth quarter, this would produce a record-high in the length of contracts (above the previous record of 33.8 months in 1997).

Wage gains were above the all-industry average of 2.3 per cent: in Transportation, Communication and Other Utilities, at 3.4 per cent; Manufacturing, at 3.3 per cent; and Community, Business and Personal Services, at 2.5 per cent. In Public

Administration, wage gains averaged 2.2 per cent; in Trade, 1.9 per cent; in Primary Industries, 1.6 per cent; and in Construction, 1.4 per cent.

On a regional/jurisdictional basis, average wage adjustments in descending order of magnitude were: Federal jurisdiction, 3.4 per cent; Ontario, 3.3 per cent; Prairie Provinces, 3.0 per cent; Atlantic Provinces, 2.4 per cent; Quebec, 1.5 per cent; and British Columbia, 1.3 per cent.

Distribution by Size and Wage Adjustments

With the upturn in the size of wage adjustments since the trough in 1994, there has been a corresponding decline in the incidence of wage freezes and wage cuts. In 1994, nearly two-thirds (65.6 per cent) of all employees were subject to wage freezes or cuts; in the first half of this year, that proportion had dropped to 4.8 per cent of all employees; 1.5 per cent of all employees in two settlements reached in the third quarter of this year were subject to wage freezes, with no wage cuts.

The distribution of third-quarter wage adjustments was much wider in the private than in the public sector. Employees in the latter sector all gained wage increases below 4.0 per cent. In the private sector, close to 74 per cent of employees obtained wage adjustments in that under-four per cent range; the other 26 per cent obtained wage increases ranging from 4.0 to 7.3 per cent.

Public and Private Sectors, Regions/Jurisdictions

Close to three-quarters (73.7 per cent) of employees in the third-quarter settlements were in the private sector; the 124,000 employees obtained wage adjustments averaging 2.3 per cent through 38 settlements. In the public sector, 25 third-quarter settlements provided 44,350 employees with wage gains averaging 2.4 per cent (see Chart B).

For both sectors combined, the largest average increase occurred in the Federal jurisdiction, where 28,110 employees achieved an average 3.4 per cent wage gain from ten settlements. The majority was in the private sector (under the *Canada Labour Code*): 22,780 employees with an average increase

Table 1

**Distribution of Agreements and Employees
by Size of Wage Adjustments, Third Quarter 1999**

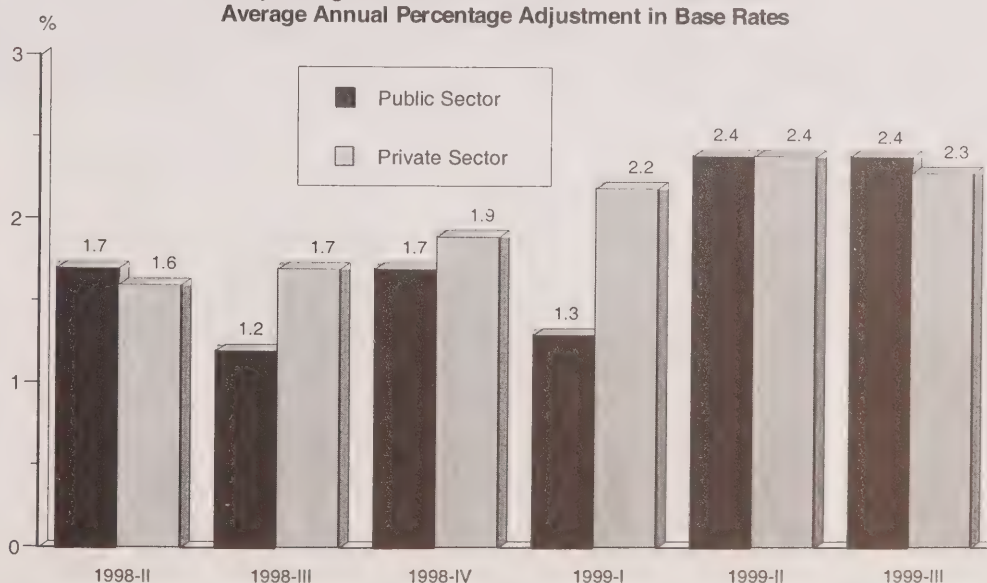
Adjustment Range	Agreements		Employees	
	Number	Percentage	Number	Percentage
No increase (0.0%)	2	3.2	2,530	1.5
>0.0% to 0.9%	3	4.8	2,760	1.6
1.0% to 1.9%	19	30.2	83,830	49.8
2.0% to 2.9%	21	33.3	27,910	16.6
3.0% to 3.9%	10	15.9	9,340	11.5
4.0% to 4.9%	6	9.5	28,930	17.2
5.0% to 5.9%	1	1.6	850	0.5
6.0% to 6.9%	-	-	-	-
7.0% and over	1	1.6	2,200	1.3
ALL LEVELS	63	100.0	168,350	100.0

Note: Percentages may not add to 100.0 due to rounding.

Source: Workplace Information Directorate

Chart B

**Major Wage Settlements – Public and Private Sectors
Average Annual Percentage Adjustment in Base Rates**



Source: Workplace Information Directorate

of 3.8 per cent through seven settlements. The Federal jurisdiction's private-sector average was boosted by settlements in the Transportation, Communication and Other Utilities sector, including 12,950 Air Canada employees at 4.0 per cent, 1,700 Maritime Tel employees at 4.2 per cent, and 2,200 NAV CANADA air traffic controllers, with the largest third-quarter wage gain of 7.3 per cent (see Chart C).

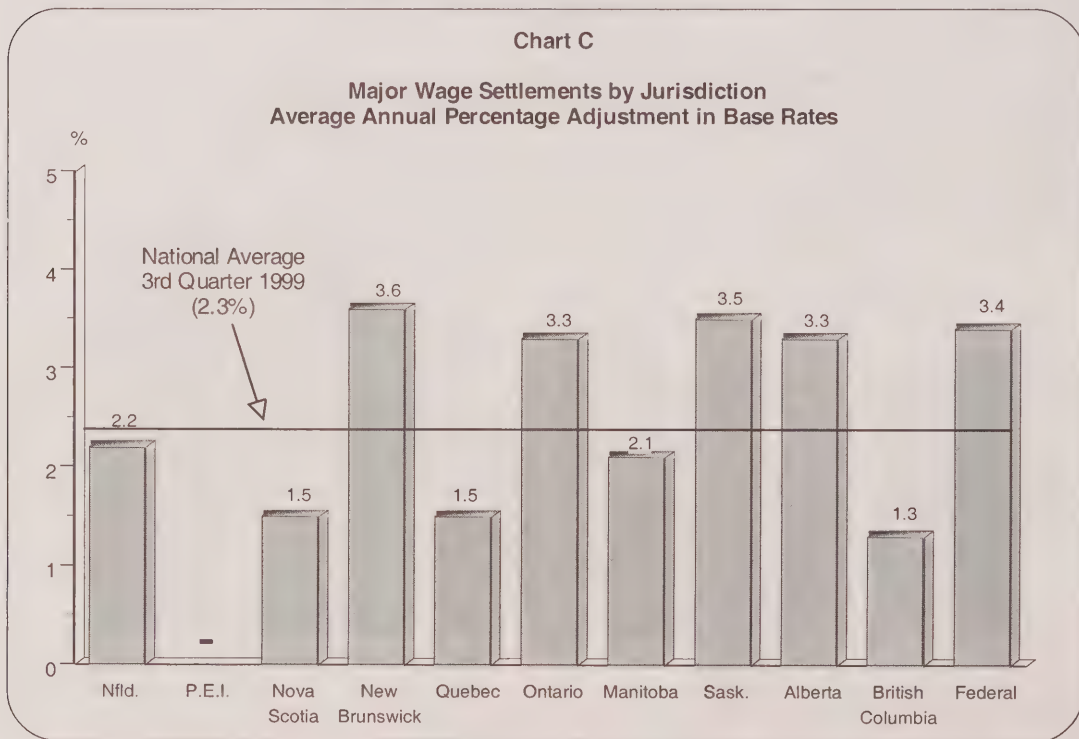
In the public sector within the Federal jurisdiction, 5,330 employees gained increases averaging 1.8 per cent. They comprised: 1,600 Ottawa-Carleton Regional Transit employees at 2.1 per cent; 3,200 Canada Post supervisory and administrative employees at 1.6 per cent; and 530 National Research Council support employees at 2.1 per cent.

Ontario's 29,620 employees in both sectors' 14 third-quarter settlements gained the second largest average increase of 3.3 per cent. In Ontario's private sector, 16,960 employees in six settlements gained an average increase of 3.9 per cent. These private sector settlements ranged from 1.8 per cent for 680 Weyerhaeuser Canada mill

employees, to 4.4 per cent for 12,930 Ford Motor Company of Canada employees. Also among these were 750 Bombardier plant employees at 2.4 per cent, 800 Canadian Pacific hotel employees at 2.7 per cent, 1,050 A&P retail food store employees at 1.9 per cent, and 750 Falconbridge metallurgical employees at Kidd Creek, with a wage gain of 2.2 per cent.

Ontario's public sector settlements were all in the municipal and education sectors, with wage increases ranging from 1.9 per cent for 560 City of Ottawa firefighters, through gains of 2.5 per cent for 6,970 City of Toronto outside workers, to a high of 3.0 per cent for 820 part-time teaching staff at the University of Ottawa. The average wage for 12,660 employees from the eight public sector agreements was 2.4 per cent.

In the Prairie Provinces, wage gains for 22,330 employees in eight agreements averaged 3.0 per cent. In contrast to other regions/jurisdictions, the employees and settlements were mostly concentrated in the public sector, in which 20,980 employees in these provinces' seven settlements gained average increases of 2.9 per cent.



Significant public sector agreements in the Prairie Provinces included: 8,400 Saskatchewan nurses with a wage gain of 3.5 per cent; 6,610 Manitoba health-sector employees at 1.8 per cent; and 5,970 education sector employees at an average of 3.3 per cent.

A single private sector agreement in Manitoba with 1,350 Boeing Canada Technology Ltd. employees, provided a wage increase of 4.0 per cent annually over the term of the three-year contract.

The Atlantic Provinces' total of six settlements covering 4,450 employees provided wage increases averaging 2.4 per cent. Three private sector agreements for 2,450 employees averaged 2.9 per cent: 1,200 New Brunswick construction workers in a 3.8 per cent settlement; 550 forestry workers in Newfoundland at 2.2 per cent, and another 700 in Nova Scotia at 1.8 per cent. Three public sector settlements covering 2,000 employees provided wage increases averaging 1.8 per cent. In Nova Scotia, 900 Cape Breton School Board employees obtained a wage increase of 1.4 per cent, and 550 Halifax municipal employees gained an increase of 1.1 per cent, while 550 pharmacists in New Brunswick obtained an increase of 3.2 per cent.

The largest concentration of employees in third-quarter settlements was in Quebec, where 70,620 employees gained wage increases averaging 1.5 per cent in 15 settlements. In the private sector, 67,850 of these employees in 12 settlements gained increases also averaging 1.5 per cent, and

largely reflecting the impact of three settlements in the Construction sector, with wage increases averaging 1.3 per cent for 60,500 employees. Other notable private sector agreements in Quebec included: 1,300 Goodyear Canada employees at 3.4 per cent, 1,100 Waterville T.G. employees at 2.9 per cent, and 850 Rolls-Royce Canada employees with a wage gain of 5.0 per cent.

Three public sector settlements in Quebec provided average wage gains of 1.1 per cent for 2,770 employees. They comprised: 1,500 office, clerical and service employees of the Université Laval with a wage increase of 0.5 per cent, 740 City of Laval employees at 1.6 per cent and 530 bus drivers with the Société de transport de la rive sud de Montréal at 2.0 per cent.

Ten settlements in British Columbia for 13,220 employees provided an average wage gain of 1.3 per cent. In a single public sector agreement with 610 British Columbia Buildings Corporation service employees, there was a wage gain of 0.7 per cent, while in nine private sector settlements, wage adjustments averaged 1.3 per cent for 12,610 employees.

Settlements in the private sector comprised: wage freezes for 1,700 shoreworkers of the Canadian Fishing Company and for 830 Highland Valley Copper employees; increases of 1.7 per cent for 4,050 employees with the Hospitality Industrial Relations Association of British Columbia and for 900 employees of Coast Hotels Ltd. in Nanaimo;

Table 2

Major Wage Settlements by Region/Jurisdiction, Third Quarter 1999

Region/Jurisdiction	Agreements		Employees		Wage Adjustment Average Annual %
	Number	Percentage	Number	Percentage	
Atlantic Canada	6	9.5	4,450	2.6	2.4
Quebec	15	23.8	70,620	41.9	1.5
Ontario	14	22.2	29,620	17.6	8.3
Prairie Provinces	8	12.7	22,330	13.3	3.0
British Columbia	10	15.9	13,220	7.9	1.3
Federal Jurisdiction	10	15.9	28,110	16.7	3.4
CANADA	63	100.0	168,350	100.0	2.3

Source: Workplace Information Directorate

3.0 per cent for 500 Canadian Pacific employees at the Empress Hotel in Victoria; 2.7 per cent for 1,140 Pacific Press employees in Vancouver; 1.5 per cent for 1,450 Cominco employees; 1.0 per cent for 1,390 Alcan Smelters and Chemicals employees; and 0.7 per cent for 650 British Columbia Gas Utility employees.

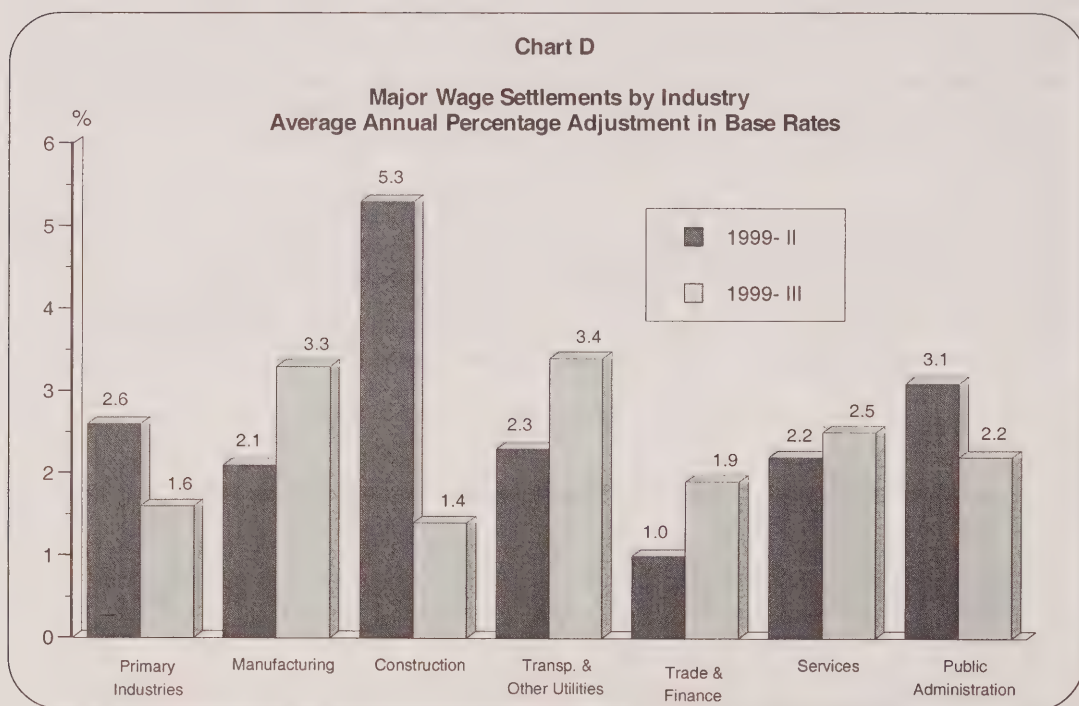
Major Industry Group

On an industry basis, the largest average increases occurred in the Transportation, Communication and Other Utilities sector, with 29,310 employees obtaining average gains of 3.4 per cent in 12 settlements, all in the Federal jurisdiction (see Chart D). (See details in preceding section of this report.)

The largest concentration of employees on an industry basis was in the Construction sector, with 61,700 employees in four settlements obtaining the lowest average industry gains of 1.4 per cent; the vast majority (60,500) were in Quebec with increases of 1.3 per cent.

In the Manufacturing sector, 14 settlements provided 26,820 employees with the second largest third-quarter average increase to an industry group, at 3.3 per cent. The average reflected the impact of the settlement between 12,930 Canadian Auto Workers and the Ford Motor Company of Canada at 4.4 per cent; for the other 13,890 manufacturing employees, wage adjustments averaged 2.3 per cent.

Table 3, next page, summarizes the distribution of settlements by industry.



Source: Workplace Information Directorate

Table 3

Major Wage Settlements by Industry, Third Quarter 1999

Industry	Agreements		Employees		Wage Adjustment Average Annual %
	Number	Percentage	Number	Percentage	
Primary Industry	4	6.3	2,750	1.6	1.6
Manufacturing	14	22.2	26,820	15.9	3.3
Construction	4	6.3	61,700	36.6	1.4
Transportation, Communication and Other Utilities	12	19.0	29,310	17.4	3.4
Trade	2	3.2	1,900	1.1	1.9
Community, Business and Personal Services	21	33.3	35,340	21.0	2.5
Public Administration	6	9.5	10,530	6.3	2.2
ALL INDUSTRIES	63	100.0	168,350	100.0	2.3

Note: Percentages may not add to 100.0 due to rounding.

Source: Workplace Information Directorate

MAJOR SETTLEMENTS REACHED IN THE THIRD QUARTER OF 1999

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Primary (4 agreements)	2,750	1.6	1.7	48.6	
Corner Brook Pulp and Paper Limited, wood operators, Corner Brook, Newfoundland	550	2.2	3.0	60	2003-12-31
Falconbridge - Kidd Creek, smelting and refinery employees, Timmins, Ontario	750	2.2*	2.0	38	2002-09-30
Highland Valley Copper, production employees, Logan Lake, British Columbia	830	0.0	0.0	60	2003-09-30
Noranda inc.-Fonderie Horne, mine employees, Rouyn-Noranda, Quebec	620	2.4	2.5	36	2002-02-28
Manufacturing (14 agreements)	26,820	3.3	2.8	37.3	
Alcan Smelters and Chemicals Ltd., plant and maintenance employees, Kitimat, British Columbia	1,390	1.0*	1.0	36	2002-07-23
Boeing Canada Technology Ltd., plant and maintenance employees, Winnipeg, Manitoba	1,350	4.0*	3.1	36	2002-07-10
Bombardier Inc., Mass Transit Division, production employees, Thunder Bay, Ontario	750	2.4*	2.1	36	2002-05-31
Canadian Fishing Company, fish processing employees, Coast of British Columbia	1,700	0.0	0.0	24	2001-04-15
Cominco Ltd., plant and maintenance employees, Trail, British Columbia	1,450	1.5	1.5	24	2001-05-31
Domtar Inc. (Fine Papers Division), production employees, Windsor, Quebec	700	2.5	3.0	72	2005-04-30
Ford Motor Company of Canada Limited, plant and maintenance employees, Windsor, Ontario	12,930	4.4*	3.7	36	2002-09-17
Goodyear Canada Inc., plant and maintenance employees, Valleyfield, Quebec	1,300	3.4*	2.2	36	2002-06-30
Pacific Press Limited, print media employees, Vancouver, British Columbia	1,140	2.7	3.0	36	2001-11-30
Rolls-Royce (Canada) Limited, production employees, Lachine, Quebec	850	5.0	4.0	24	2001-04-01
Stora Enso Port Hawkesbury Limited, mill employees, Point Tupper, Nova Scotia	700	1.8	0.0	72	2004-05-31
Tye-Sil Corporation limitée, plant and maintenance employees, Montréal, Quebec	730	2.0	2.0	48	2003-01-31
Waterville TG inc., plant and maintenance employees, Waterville, Quebec	1,150	2.9*	2.9	36	2002-07-31
Weyerhaeuser Canada Ltd., mill employees, Dryden, Ontario	680	1.8	0.0	72	2004-09-01
Construction (4 agreements)	61,700	1.4	0.1	35.8	
Association de la construction du Québec, construction trades - all, province-wide, Quebec	27,000	1.3	0.0	36	2001-04-30
Association de la construction du Québec, construction trades - all, province-wide, Quebec	13,500	1.3	0.0	36	2001-04-30
Association des constructeurs de routes et grands travaux du Québec, construction trades - all, province-wide, Quebec	20,000	1.3	0.0	36	2001-04-30
Mechanical Contractors Association of N.B. Inc., plumbers and pipefitters, province-wide, New Brunswick	1,200	3.8	3.3	24	2001-06-30

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Transportation, Communication and Other Utilities (12 agreements)	29,310	3.4	3.8	38.5	
Air Canada, flight attendants, system-wide	4,550	4.0	5.0	36	2001-10-31
Air Canada, operational employees, system-wide	8,400	4.0	5.0	36	2002-06-22
B.C. Gas Utility Ltd., utility workers, province-wide, British Columbia	650	0.7	0.0	36	2001-03-31
Canada Post Corporation, technical employees, Canada-wide	3,200	1.6	1.5	37	2001-10-30
Canadian Pacific Limited, locomotive engineers, system-wide	4,400	2.0	2.0	48	2002-12-31
City of Mississauga, bus drivers, Mississauga, Ontario	550	2.3	2.0	42	2002-09-30
MTS Communications Inc., telephone operators, province-wide, Manitoba	1,530	2.2	2.5	36	2001-12-19
MTT, office and clerical employees, province-wide, Nova Scotia	850	4.2*	4.5	38	2002-01-01
MTT, plant and maintenance employees, province-wide, Nova Scotia	850	4.1*	4.4	38	2002-01-01
NAV-CANADA, air traffic controllers, Canada-wide	2,200	7.3	6.0	39	2001-03-31
Ottawa-Carleton Regional Transit Commission, bus drivers, Ottawa, Ontario	1,600	2.1	4.0	34	2002-03-31
Société de transport de la Rive-Sud de Montréal, bus drivers, Longueuil, Quebec	530	2.0*	2.0	48	2002-12-31
Trade (2 agreements)	1,900	1.9	2.3	43.2	
Automobile Industry Employers' Association Inc., hourly rated employees, Montréal, Quebec	850	2.0	2.5	36	2002-07-16
Super Fresh Food Markets (Division of A&P Co. of Canada Limited), retail employees, province-wide, Ontario	1,050	1.9	2.1	49	2003-09-22
Community, Business and Personal Services (21 agreements)	35,340	2.5	2.6	36.6	
Board of School Trustees of the Edmonton Catholic Regional Division No. 40, office and clerical employees, Edmonton, Alberta	560	3.3	3.3	12	2000-08-31
Calgary Roman Catholic Separate School District No. 1, elementary and secondary teachers, Calgary, Alberta	2,500	3.6	4.2	24	2000-08-31
Canadian Pacific Hotels and Resorts Corporation, hotel or restaurant employees, Toronto, Ontario	800	2.7	3.3	36	2002-02-28
Canadian Pacific Hotels Corporation (Empress Hotel), hotel or restaurant employees, Victoria, British Columbia	500	3.0	3.0	36	2002-08-31
Canadian Pacific Hotels Corporation (Queen Elizabeth Hotel), hotel or restaurant employees, Montréal, Quebec	600	3.0	3.0	36	2002-06-30
Cape Breton Victoria Regional School Board, support employees, Cape Breton Island, Nova Scotia	900	1.4	1.7	41	2001-03-31
Children's Aid Society of Toronto, office and clerical employees, Toronto, Ontario	530	2.5	4.3	39	2002-03-31
Coast Hotels Ltd., hotel or restaurant employees, Nanaimo, British Columbia	900	1.7	2.0	36	2002-04-30
Deer Lodge Centre Inc., non-medical employees, Winnipeg, Manitoba	510	1.8	3.0	46	2002-04-01
Government of New Brunswick, health and social care professionals, province-wide, New Brunswick	550	3.2	1.5	36	2000-12-31
Governors of the University of Calgary, support employees, Calgary, Alberta	2,910	3.0	3.0	24	2001-03-31

* Agreements with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Community, Business and Personal Services (continued)					
Hospitality Industrial Relations, hotel or restaurant employees, province-wide, British Columbia	4,050	1.7	2.0	36	2002-05-31
National Research Council of Canada, support employees, Canada-wide	530	2.1	2.5	48	2001-04-30
Regional Health Authorities of Manitoba, home care workers, province-wide, Manitoba	4,800	1.8	0.0	48	2002-03-31
St. Boniface General Hospital, service and maintenance employees, St. Boniface, Manitoba	1,300	1.7	0.0	48	2002-03-31
Saskatchewan Association of Health Organizations, nurses, province-wide, Saskatchewan	8,400	3.5	4.4	36	2002-03-31
Société du parc des Îles, service and maintenance employees, Montréal, Quebec	550	1.6	2.0	48	2002-12-31
Université Laval, office and clerical employees, Québec, Quebec	1,500	0.5	0.0	66	2000-05-31
University of Ottawa, professors, Ottawa, Ontario	820	3.0	2.9	36	2001-08-31
University of Western Ontario, office and clerical employees, London, Ontario	1,000	2.1	3.8	22	2001-06-30
York University, office and clerical employees, Metropolitan Toronto, Ontario	1,130	2.7	2.7	12	2000-07-31
Public Administration (6 agreements)	10,530	2.2	1.8	38.3	
British Columbia Buildings Corporation, building maintenance, province-wide, British Columbia	610	0.7	0.0	36	2002-04-30
City of Laval, recreational employees, Laval, Quebec	740	1.6	1.5	48	2001-12-31
City of Ottawa (Firefighters), firefighters, Ottawa, Ontario	560	1.9	2.1	33	1998-12-31
City of Toronto, outside employees, Toronto, Ontario	6,970	2.5	2.0	36	2002-01-01
City of Windsor, inside employees, Windsor, Ontario	1,100	2.2	2.0	36	2001-12-31
Halifax Regional Municipality, inside employees, Halifax, Nova Scotia	550	1.1	0.0	67	2001-10-31
Agreements with COLA (10 agreement)	21,320	3.8	3.3	36.5	
Agreements without COLA (53 agreements)	147,030	2.1	1.6	37.2	
All agreements (63 agreements)	168,350	2.3	1.8	37.1	

Source: Workplace Information Directorate

The Workplace Information Directorate provides a variety of information on innovative workplace practices in each issue of the Workplace Gazette.

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* Cost-of-Living Allowance (COLA) formulae are quantified using a combination of the latest relevant Consumer Price Index (CPI) data available and/or a projected CPI increase of 2.0 per cent. Consult the Technical Notes for information on the calculation of the yield from COLA increases, and definitions of the industry and sector divisions used in this publication.

Table A-1

**Effective Wage Adjustment in Base Rates, Number of Agreements and Employees Covered,
by Year and Quarter**

	1996	1997	1998	1998	1999		
				4	1	2	3
All Industries							
Wage Adjustment (%)	0.9	1.5	1.6	1.7	1.5	2.4	2.3
Number of Agreements	377	381	395	101	105	117	63
Number of Employees (000's)	809.8	695.4	916.1	243.1	245.3	261.4	168.4
Private Sector							
Wage Adjustment (%)	1.7	1.8	1.8	1.9	2.2	2.4	2.3
Number of Agreements	164	160	176	33	28	53	38
Number of Employees (000's)	243.9	324.1	269.2	37.8	54.2	63.1	124.0
Public Sector							
Wage Adjustment (%)	0.5	1.2	1.6	1.7	1.3	2.4	2.4
Number of Agreements	213	221	219	68	77	64	25
Number of Employees (000's)	565.9	371.3	646.9	205.3	191.1	198.3	44.4
Federal Administration							
Wage Adjustment (%)	0.0	3.2	2.2	2.2	2.1	3.7	2.1
Number of Agreements	1	1	16	6	3	5	1
Number of Employees (000's)	0.6	8.7	124.2	100.5	15.0	28.7	0.5
Federal Crown Corporations							
Wage Adjustment (%)	0.4	1.4	2.2	-	-	2.5	1.6
Number of Agreements	5	8	7	-	-	5	1
Number of Employees (000's)	10.1	65.4	9.3	-	-	16.6	3.2
Provincial Administration							
Wage Adjustment (%)	0.2	1.2	1.6	1.6	1.6	1.4	1.6
Number of Agreements	37	26	30	8	15	2	2
Number of Employees (000's)	151.8	45.1	112.2	10.9	58.4	7.3	5.4
Local Administration							
Wage Adjustment (%)	1.1	1.2	1.5	2.1	2.3	1.8	2.2
Number of Agreements	31	34	32	4	9	5	8
Number of Employees (000's)	48.8	43.8	49.1	4.4	6.8	7.9	12.6
Education, Health and Welfare							
Wage Adjustment (%)	0.5	1.0	1.3	1.0	0.9	2.2	2.9
Number of Agreements	122	148	132	49	45	45	13
Number of Employees (000's)	319.1	203.9	350.0	88.4	103.1	136.2	22.6
Public Utilities							
Wage Adjustment (%)	0.9	1.6	1.4	2.0	2.4	2.4	-
Number of Agreements	17	4	2	1	5	2	-
Number of Employees (000's)	35.4	4.4	2.1	1.2	7.8	1.7	-

Table A-2

**Effective Wage Adjustment in Base Rates, by Effective Period,
Third Quarter 1999**

Sector/ Agreement Duration	Number of Agreements	Number of Employees	First 12 Months	Second 12 Months	Third 12 Months	Fourth 12 Months	Average Annual Adjustment	Average Agreement Duration
		(000's)	(%)	(%)	(%)	(%)	(%)	(Months)
All Industries								
17 Months or Less	2	1.7	2.9	-	-	-	2.9	12.0
18-29 Months	7	11.6	2.8	2.5	-	-	2.7	23.8
30-41 Months	36	133.9	1.8	3.7	1.7	0.5	2.4	36.1
42 Months or More	18	21.2	1.1	2.1	1.8	1.8	1.7	52.7
All Agreements	63	168.4	1.8	3.4	1.7	1.8	2.3	37.1
Private Sector								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	4	5.2	1.8	2.4	-	-	2.1	24.0
30-41 Months	25	108.6	1.6	4.0	1.5	0.5	2.3	36.1
42 Months or More	9	10.2	1.7	2.0	1.8	1.8	1.8	54.6
All Agreements	38	124.0	1.6	3.8	1.5	1.7	2.3	37.1
Public Sector								
17 Months or Less	2	1.7	2.9	-	-	-	2.9	12.0
18-29 Months	3	6.4	3.6	2.5	-	-	3.1	23.7
30-41 Months	11	25.2	2.9	2.4	2.6	-	2.6	36.2
42 Months or More	9	11.0	0.6	2.2	1.7	1.9	1.6	51.0
All Agreements	25	44.4	2.4	2.4	2.3	1.9	2.4	37.1
Federal Administration								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	1	0.5	2.5	2.0	2.0	2.0	2.1	48.0
All Agreements	1	0.5	2.5	2.0	2.0	2.0	2.1	48.0
Federal Crown Corporations								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	1	3.2	1.5	1.5	1.9	-	1.6	37.0
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	1	3.2	1.5	1.5	1.9	-	1.6	37.0
Provincial Administration								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	1	0.6	0.0	0.0	2.0	-	0.7	36.0
42 Months or More	1	4.8	0.0	3.0	2.0	2.0	1.8	48.0
All Agreements	2	5.4	0.0	2.7	2.0	2.0	1.6	46.6
Local Administration								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	4	10.2	2.3	2.1	2.5	-	2.3	35.5
42 Months or More	4	2.4	1.4	1.7	1.9	1.8	1.7	51.0
All Agreements	8	12.6	2.1	2.1	2.4	1.8	2.2	38.4
Education, Health and Welfare								
17 Months or Less	2	1.7	2.9	-	-	-	2.9	12.0
18-29 Months	3	6.4	3.6	2.5	-	-	3.1	23.7
30-41 Months	5	11.2	3.9	3.1	2.9	-	3.3	36.5
42 Months or More	3	3.3	0.5	1.5	1.1	1.7	1.2	55.8
All Agreements	13	22.6	3.2	2.7	2.5	1.7	2.9	33.9
Public Utilities								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-	-	-

Table B-1

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1996	1997	1998	1998	1999		
				4	1	2	3
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Industries							
Agreements without COLA	0.6	1.4	1.6	1.7	1.5	2.5	2.1
Agreements with COLA	2.5	1.7	2.5	3.2	2.1	1.9	3.8
All Agreements	0.9	1.5	1.6	1.7	1.5	2.4	2.3
Primary Industry							
Agreements without COLA	1.7	1.9	1.1	0.0	-	2.7	0.9
Agreements with COLA	1.7	1.7	-	-	-	2.4	2.3
All Agreements	1.7	1.7	1.1	0.0	-	2.6	1.6
Manufacturing							
Agreements without COLA	2.8	2.1	0.9	1.4	1.4	1.9	2.0
Agreements with COLA	2.8	2.6	2.7	3.2	2.5	2.3	4.0
All Agreements	2.8	2.3	1.4	1.8	1.6	2.1	3.3
Construction							
Agreements without COLA	0.0	1.6	2.4	2.3	2.5	5.3	1.4
Agreements with COLA	1.2	-	2.9	2.7	-	-	-
All Agreements	0.1	1.6	2.4	2.4	2.5	5.3	1.4
Transportation, Communication and Other Utilities							
Agreements without COLA	0.7	1.7	1.9	1.9	2.0	2.6	3.3
Agreements with COLA	1.9	1.5	1.9	4.1	1.7	2.0	3.6
All Agreements	0.7	1.6	1.9	2.2	2.0	2.3	3.4
Trade, Finance, Insurance and Real Estate							
Agreements without COLA	0.7	1.7	1.5	1.5	2.4	1.4	1.9
Agreements with COLA	0.2	1.6	2.8	-	-	0.6	-
All Agreements	0.6	1.7	1.5	1.5	2.4	1.0	1.9
Community, Business and Personal Services							
Agreements without COLA	0.6	1.0	1.3	1.0	0.9	2.2	2.5
Agreements with COLA	0.8	1.5	0.9	-	-	-	-
All Agreements	0.6	1.0	1.3	1.0	0.9	2.2	2.5
Public Administration							
Agreements without COLA	0.2	1.4	1.8	2.2	1.7	3.2	2.2
Agreements with COLA	4.9	-	-	-	-	2.3	-
All Agreements	0.4	1.4	1.8	2.2	1.7	3.1	2.2

Table B-2

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1996		1997		1998	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)	
All Industries						
Agreements without COLA	330	707.9	344	582.9	360	883.6
Agreements with COLA	47	101.9	37	112.5	35	32.5
All Agreements	377	809.8	381	695.4	395	916.1
Primary Industry						
Agreements without COLA	8	7.0	3	2.3	2	1.8
Agreements with COLA	3	3.5	5	8.3	-	-
All Agreements	11	10.5	8	10.6	2	1.8
Manufacturing						
Agreements without COLA	49	34.3	41	49.7	48	61.3
Agreements with COLA	32	77.1	21	22.6	25	23.9
All Agreements	81	111.4	62	72.3	73	85.1
Construction						
Agreements without COLA	10	8.5	32	104.8	45	92.8
Agreements with COLA	2	1.1	-	-	3	2.2
All Agreements	12	9.6	32	104.8	48	95.0
Transportation, Communication and Other Utilities						
Agreements without COLA	62	131.3	27	67.6	39	80.4
Agreements with COLA	5	4.2	5	59.5	3	4.0
All Agreements	67	135.5	32	127.1	42	84.4
Trade, Finance, Insurance and Real Estate						
Agreements without COLA	16	30.8	29	56.2	16	25.0
Agreements with COLA	1	9.4	4	18.7	1	0.8
All Agreements	17	40.2	33	74.9	17	25.8
Community, Business and Personal Services						
Agreements without COLA	139	347.8	165	229.4	148	373.8
Agreements with COLA	2	1.1	2	3.4	3	1.7
All Agreements	141	348.9	167	232.9	151	375.5
Public Administration						
Agreements without COLA	46	148.2	47	72.9	62	248.6
Agreements with COLA	2	5.5	-	-	-	-
All Agreements	48	153.7	47	72.9	62	248.6

Table B-2 (continued)

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1998		1999					
	4		1		2		3	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Industries								
Agreements without COLA	95	237.4	101	242.3	102	224.7	53	147.0
Agreements with COLA	6	5.7	4	3.1	15	36.7	10	21.3
All Agreements	101	243.1	105	245.3	117	261.4	63	168.4
Primary Industry								
Agreements without COLA	1	1.1	-	-	2	1.5	2	1.4
Agreements with COLA	-	-	-	-	1	1.4	2	1.4
All Agreements	1	1.1	-	-	3	2.9	4	2.8
Manufacturing								
Agreements without COLA	12	12.4	11	8.2	19	12.7	9	9.1
Agreements with COLA	4	4.5	2	1.5	9	12.8	5	17.7
All Agreements	16	17.0	13	9.7	28	25.5	14	26.8
Construction								
Agreements without COLA	9	10.5	10	29.5	7	6.7	4	61.7
Agreements with COLA	1	0.6	-	-	-	-	-	-
All Agreements	10	11.1	10	29.5	7	6.7	4	61.7
Transportation, Communication and Other Utilities								
Agreements without COLA	3	3.5	11	30.4	11	18.6	9	27.1
Agreements with COLA	1	0.5	2	1.6	3	16.7	3	2.2
All Agreements	4	4.1	13	32.0	14	35.2	12	29.3
Trade, Finance, Insurance and Real Estate								
Agreements without COLA	3	6.1	2	1.5	5	6.1	2	1.9
Agreements with COLA	-	-	-	-	1	5.2	-	-
All Agreements	3	6.1	2	1.5	6	11.3	2	1.9
Community, Business and Personal Services								
Agreements without COLA	51	89.7	47	104.8	49	138.8	21	35.3
Agreements with COLA	-	-	-	-	-	-	-	-
All Agreements	51	89.7	47	104.8	49	138.8	21	35.3
Public Administration								
Agreements without COLA	16	114.0	20	67.9	9	40.4	6	10.5
Agreements with COLA	-	-	-	-	1	0.7	-	-
All Agreements	16	114.0	20	67.9	10	41.1	6	10.5

Table B-3

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, Third Quarter 1999**

	17 Months or Less			18-29 Months		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	2	1.7	2.9	7	11.6	2.7
Agreements with COLA	-	-	-	-	-	-
All Agreements	2	1.7	2.9	7	11.6	2.7
Primary Industry						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Manufacturing						
Agreements without COLA	-	-	-	3	4.0	1.6
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	3	4.0	1.6
Construction						
Agreements without COLA	-	-	-	1	1.2	3.8
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	1	1.2	3.8
Transportation, Communication and Other Utilities						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Trade, Finance, Insurance and Real Estate						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Community, Business and Personal Services						
Agreements without COLA	2	1.7	2.9	3	6.4	3.1
Agreements with COLA	-	-	-	-	-	-
All Agreements	2	1.7	2.9	3	6.4	3.1
Public Administration						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-

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Table B-3 (continued)

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, Third Quarter 1999**

	30-41 Months			42 Months or More		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	27	113.1	2.1	17	20.7	1.7
Agreements with COLA	9	20.8	3.9	1	0.5	2.0
All Agreements	36	133.9	2.4	18	21.2	1.7
Primary Industry						
Agreements without COLA	-	-	-	2	1.4	0.9
Agreements with COLA	2	1.4	2.3	-	-	-
All Agreements	2	1.4	2.3	2	1.4	0.9
Manufacturing						
Agreements without COLA	2	2.3	2.8	4	2.8	2.0
Agreements with COLA	5	17.7	4.0	-	-	-
All Agreements	7	20.0	3.8	4	2.8	2.0
Construction						
Agreements without COLA	3	60.5	1.3	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	3	60.5	1.3	-	-	-
Transportation, Communication and Other Utilities						
Agreements without COLA	7	22.1	3.6	2	5.0	2.0
Agreements with COLA	2	1.7	4.2	1	0.5	2.0
All Agreements	9	23.8	3.7	3	5.5	2.0
Trade, Finance, Insurance and Real Estate						
Agreements without COLA	1	0.9	2.0	1	1.1	1.9
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	0.9	2.0	1	1.1	1.9
Community, Business and Personal Services						
Agreements without COLA	10	18.1	2.8	6	9.2	1.6
Agreements with COLA	-	-	-	-	-	-
All Agreements	10	18.1	2.8	6	9.2	1.6
Public Administration						
Agreements without COLA	4	9.2	2.3	2	1.3	1.4
Agreements with COLA	-	-	-	-	-	-
All Agreements	4	9.2	2.3	2	1.3	1.4

Table B-4

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, Third Quarter 1999**

	Number of Agreements	Number of Employees	Average Annual Adjustment	First 12 Months	Average Agreement Duration
		(000's)	(%)	(%)	(Months)
All Industries					
Agreements without COLA	53	147.0	2.1	1.6	37.2
Agreements with COLA	10	21.3	3.8	3.3	36.5
All Agreements	63	168.4	2.3	1.8	37.1
Primary Industry					
Agreements without COLA	2	1.4	0.9	1.2	60.0
Agreements with COLA	2	1.4	2.3	2.2	37.1
All Agreements	4	2.8	1.6	1.7	48.6
Manufacturing					
Agreements without COLA	9	9.1	2.0	1.8	39.9
Agreements with COLA	5	17.7	4.0	3.3	36.0
All Agreements	14	26.8	3.3	2.8	37.3
Construction					
Agreements without COLA	4	61.7	1.4	0.1	35.8
Agreements with COLA	-	-	-	-	-
All Agreements	4	61.7	1.4	0.1	35.8
Transportation, Communication and Other Utilities					
Agreements without COLA	9	27.1	3.3	3.8	38.3
Agreements with COLA	3	2.2	3.6	3.9	40.4
All Agreements	12	29.3	3.4	3.8	38.5
Trade, Finance, Insurance and Real Estate					
Agreements without COLA	2	1.9	1.9	2.3	43.2
Agreements with COLA	-	-	-	-	-
All Agreements	2	1.9	1.9	2.3	43.2
Community, Business and Personal Services					
Agreements without COLA	21	35.3	2.5	2.6	36.6
Agreements with COLA	-	-	-	-	-
All Agreements	21	35.3	2.5	2.6	36.6
Public Administration					
Agreements without COLA	6	10.5	2.2	1.8	38.3
Agreements with COLA	-	-	-	-	-
All Agreements	6	10.5	2.2	1.8	38.3

Table C-1

**Effective Wage Adjustment in Base Rates, by Region/Jurisdiction,
by Year and Quarter**

	1996	1997	1998	1998	1999		
				4	1	2	3
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Sectors							
CANADA	0.9	1.5	1.6	1.7	1.5	2.4	2.3
<i>Atlantic</i>	1.7	1.3	1.9	1.8	2.3	1.6	2.4
Newfoundland	2.0	1.7	1.3	-	1.5	1.6	2.2
Prince Edward Island	1.7	-	2.1	2.1	2.8	2.3	-
Nova Scotia	1.7	2.0	2.5	1.8	4.5	-	1.5
New Brunswick	1.7	1.0	1.5	1.7	-	1.6	3.6
Quebec	1.7	1.3	0.9	1.7	1.3	1.4	1.5
Ontario	0.9	1.1	1.6	0.8	1.4	1.6	3.3
<i>Prairies</i>	0.7	2.0	2.4	2.3	3.2	3.1	3.0
Manitoba	0.2	1.1	1.4	1.3	1.5	2.8	2.1
Saskatchewan	1.1	0.9	1.8	2.0	2.6	1.7	3.5
Alberta	1.1	2.4	3.0	2.9	4.3	4.3	3.3
British Columbia	0.6	1.4	0.7	0.9	0.7	0.5	1.3
More than One Province	2.3	3.0	1.7	-	1.8	3.7	-
Federal	0.5	1.8	2.1	2.2	2.0	3.1	3.4
Public Sector							
CANADA	0.5	1.2	1.6	1.7	1.3	2.4	2.4
<i>Atlantic</i>	1.4	1.4	1.9	1.8	2.5	1.3	1.8
Newfoundland	0.6	2.1	1.3	-	1.4	1.3	-
Prince Edward Island	1.7	-	2.1	2.1	2.8	-	-
Nova Scotia	-	1.8	2.6	2.0	4.5	-	1.3
New Brunswick	1.5	1.3	1.5	1.5	-	-	3.2
Quebec	1.4	1.3	0.8	0.4	1.9	1.1	1.1
Ontario	0.3	0.6	1.3	0.7	1.2	1.4	2.4
<i>Prairies</i>	0.5	1.7	2.2	2.3	2.4	3.1	2.9
Manitoba	0.0	1.0	1.2	1.3	1.5	2.8	1.8
Saskatchewan	0.9	0.9	1.8	2.0	2.6	1.8	3.5
Alberta	0.8	2.2	2.6	2.8	2.7	4.2	3.3
British Columbia	0.6	0.9	0.7	0.7	0.7	0.4	0.7
More than One Province	-	-	-	-	-	-	-
Federal	0.1	1.6	2.2	2.2	2.0	3.2	1.8
Private Sector							
CANADA	1.7	1.8	1.8	1.9	2.2	2.4	2.3
<i>Atlantic</i>	2.1	1.2	1.8	1.9	1.8	2.0	2.9
Newfoundland	2.6	1.7	1.8	-	1.8	2.3	2.2
Prince Edward Island	-	-	-	-	-	2.3	-
Nova Scotia	1.7	2.1	1.8	1.6	-	-	1.8
New Brunswick	2.0	0.4	1.6	2.7	-	1.6	3.8
Quebec	2.1	1.3	0.9	1.9	1.2	1.7	1.5
Ontario	2.2	1.9	2.0	1.9	2.2	1.9	3.9
<i>Prairies</i>	2.1	2.5	3.2	2.2	6.1	3.3	4.0
Manitoba	2.0	1.8	1.6	1.3	-	2.6	4.0
Saskatchewan	2.0	1.1	1.1	-	-	0.9	-
Alberta	2.2	2.6	4.6	3.2	6.1	4.9	-
British Columbia	0.9	1.6	1.5	1.4	2.0	1.2	1.3
More than One Province	2.3	3.0	1.7	-	1.8	3.7	-
Federal	0.7	2.0	1.7	1.8	1.9	2.7	3.8

Table C-2

**Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter**

	1996		1997		1998	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)	
All Sectors						
CANADA	377	809.8	381	695.4	395	916.1
<i>Atlantic</i>	32	34.2	18	20.9	42	93.4
Newfoundland	9	8.0	5	6.1	7	25.4
Prince Edward Island	6	6.9	-	-	3	3.9
Nova Scotia	8	5.6	2	1.8	18	39.0
New Brunswick	9	13.8	11	13.0	14	25.0
Quebec	57	81.1	39	92.3	52	81.7
Ontario	145	300.6	177	240.2	138	266.4
<i>Prairies</i>	72	114.5	80	146.0	83	134.8
Manitoba	31	53.6	21	27.9	20	22.3
Saskatchewan	17	34.9	7	16.9	12	32.3
Alberta	24	26.0	52	101.1	51	80.3
British Columbia	31	196.4	34	69.3	33	150.7
More than One Province	1	0.6	7	7.7	2	6.0
Federal	39	82.2	26	119.0	45	183.2
Public Sector						
CANADA	213	565.9	221	371.3	219	646.9
<i>Atlantic</i>	11	18.0	8	10.9	29	81.6
Newfoundland	3	2.4	2	1.2	6	22.9
Prince Edward Island	6	6.9	-	-	3	3.9
Nova Scotia	-	-	1	0.6	11	33.6
New Brunswick	2	8.8	5	9.0	9	21.1
Quebec	20	46.0	16	19.8	14	23.6
Ontario	90	197.0	113	139.3	76	166.7
<i>Prairies</i>	56	100.1	55	100.6	62	107.3
Manitoba	25	48.5	18	24.0	11	11.7
Saskatchewan	13	30.4	4	14.5	10	30.5
Alberta	18	21.2	33	62.1	41	65.1
British Columbia	24	176.6	18	25.4	15	133.7
More than One Province	-	-	-	-	-	-
Federal	12	28.2	11	75.4	23	134.1
Private Sector						
CANADA	164	243.9	160	324.1	176	269.2
<i>Atlantic</i>	21	16.2	10	10.1	13	11.8
Newfoundland	6	5.6	3	4.9	1	2.5
Prince Edward Island	-	-	-	-	-	-
Nova Scotia	8	5.6	1	1.2	7	5.4
New Brunswick	7	5.0	6	4.0	5	3.9
Quebec	37	35.1	23	72.6	38	58.1
Ontario	55	103.7	64	100.9	62	99.7
<i>Prairies</i>	16	14.4	25	45.4	21	27.5
Manitoba	6	5.0	3	4.0	9	10.5
Saskatchewan	4	4.5	3	2.4	2	1.8
Alberta	6	4.8	19	39.0	10	15.1
British Columbia	7	19.8	16	43.9	18	17.0
More than One Province	1	0.6	7	7.7	2	6.0
Federal	27	54.1	15	43.6	22	49.1

Table C-2 (continued)

Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter

	1998		1999		1999		1999	
	4		1		2		3	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Sectors								
CANADA	101	243.1	105	245.3	117	261.4	63	168.4
<i>Atlantic</i>	9	10.2	5	3.3	8	10.2	6	4.5
Newfoundland	-	-	3	2.1	4	7.1	1	0.6
Prince Edward Island	2	2.5	1	0.6	1	0.7	-	-
Nova Scotia	4	3.8	1	0.6	-	-	3	2.2
New Brunswick	3	3.9	-	-	3	2.5	2	1.8
Quebec	13	15.9	11	18.2	5	4.3	15	70.6
Ontario	45	72.6	57	120.6	53	92.0	14	29.6
<i>Prairies</i>	18	27.1	17	20.5	28	87.4	8	22.3
Manitoba	6	10.1	4	4.0	6	23.6	4	8.0
Saskatchewan	1	1.2	5	7.2	7	26.8	1	8.4
Alberta	11	15.8	8	9.3	15	36.9	3	6.0
British Columbia	6	11.9	6	48.7	6	7.3	10	13.2
More than One Province	-	-	1	0.9	2	1.3	-	-
Federal	10	105.4	8	33.1	15	58.8	10	28.1
Public Sector								
CANADA	68	205.3	77	191.1	64	198.3	25	44.4
<i>Atlantic</i>	6	8.0	4	2.7	2	5.2	3	2.0
Newfoundland	-	-	2	1.4	2	5.2	-	-
Prince Edward Island	2	2.5	1	0.6	-	-	-	-
Nova Scotia	2	2.2	1	0.6	-	-	2	1.5
New Brunswick	2	3.3	-	-	-	-	1	0.6
Quebec	2	2.2	3	3.9	1	2.0	3	2.8
Ontario	38	64.7	45	100.7	31	65.6	8	12.7
<i>Prairies</i>	12	18.4	15	16.0	16	75.1	7	21.0
Manitoba	4	5.5	4	4.0	5	22.9	3	6.6
Saskatchewan	1	1.2	5	7.2	3	22.4	1	8.4
Alberta	7	11.7	6	4.8	8	29.7	3	6.0
British Columbia	3	9.2	5	48.2	4	6.2	1	0.6
More than One Province	-	-	-	-	-	-	-	-
Federal	7	102.8	5	19.7	10	44.4	3	5.3
Private Sector								
CANADA	33	37.8	28	54.2	53	63.1	38	124.0
<i>Atlantic</i>	3	2.2	1	0.6	6	5.1	3	2.5
Newfoundland	-	-	1	0.6	2	1.9	1	0.6
Prince Edward Island	-	-	-	-	1	0.7	-	-
Nova Scotia	2	1.6	-	-	-	-	1	0.7
New Brunswick	1	0.6	-	-	3	2.5	1	1.2
Quebec	11	13.7	8	14.3	4	2.4	12	67.9
Ontario	7	7.9	12	20.0	22	26.4	6	17.0
<i>Prairies</i>	6	8.7	2	4.5	12	12.3	1	1.4
Manitoba	2	4.6	-	-	1	0.7	1	1.4
Saskatchewan	-	-	-	-	4	4.4	-	-
Alberta	4	4.1	2	4.5	7	7.2	-	-
British Columbia	3	2.8	1	0.6	2	1.2	9	12.6
More than One Province	-	-	1	0.9	2	1.3	-	-
Federal	3	2.6	3	13.4	5	14.5	7	22.8

Table D

Major Wage Settlements, by Public and Private Sectors, by Year and Quarter

Year	Public Sector				Private Sector				All Sectors			
	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.
	(Months)	(000's)	(%)	(Months)	(000's)	(%)	(Months)	(000's)	(Months)	(000's)	(%)	
1979	317	24.3	756.0	9.5	252	27.2	387.0	11.1	569	25.3	1,142.9	10.0
1980	325	26.0	919.4	10.9	233	27.5	298.8	11.7	558	26.3	1,218.2	11.1
1981	290	18.9	577.6	13.1	210	27.3	323.4	12.6	500	21.9	901.0	13.0
1982	319	14.6	865.1	10.4	189	25.2	282.2	9.5	508	17.2	1,147.3	10.2
1983	458	19.6	1,241.6	4.6	200	25.0	302.8	5.5	658	20.6	1,544.3	4.8
1984	277	17.0	637.4	3.9	282	26.1	518.8	3.2	559	21.1	1,156.2	3.6
1985	316	21.7	566.8	3.8	200	30.1	271.8	3.3	516	24.5	838.6	3.7
1986	322	25.4	711.2	3.6	231	26.0	410.2	3.0	553	25.6	1,121.5	3.4
1987	270	29.4	824.3	4.1	208	31.4	287.0	3.8	478	29.9	1,111.3	4.0
1988	301	24.0	698.6	4.0	241	27.2	484.1	5.0	542	25.3	1,182.7	4.4
1989	295	30.0	737.6	5.2	158	28.5	264.2	5.2	453	29.6	1,001.8	5.2
1990	283	27.4	677.8	5.6	224	29.7	468.5	5.7	507	28.4	1,146.4	5.6
1991	365	16.0	1,121.7	3.4	182	29.2	224.0	4.4	547	18.2	1,345.6	3.6
1992	302	21.7	977.3	2.0	194	32.2	329.5	2.5	496	24.3	1,306.8	2.1
1993	347	23.4	1,012.0	0.6	171	25.2	400.5	0.8	518	23.9	1,412.5	0.7
1994	299	26.5	719.8	0.0	135	34.5	222.8	1.2	434	28.4	942.6	0.3
1995	216	31.5	630.9	0.6	186	35.8	277.9	1.4	402	32.8	908.8	0.9
1996	213	31.6	565.9	0.5	164	34.9	243.9	1.7	377	32.6	809.8	0.9
1997	221	30.2	371.3	1.2	160	38.0	324.1	1.8	381	33.8	695.4	1.5
1998	219	31.0	646.9	1.6	176	34.3	269.2	1.8	395	32.0	916.1	1.6
1999*	166	35.5	433.7	1.9	119	38.6	241.3	2.3	285	36.6	675.0	2.1

* Year to Date

Quarter

1996	I	51	43.6	120.5	0.2	32	33.4	46.3	1.3	83	40.8	166.8	0.5
	II	75	27.6	287.9	0.6	48	37.5	46.6	1.6	123	29.0	334.5	0.7
	III	48	28.7	81.4	0.5	49	29.0	64.9	1.8	97	28.8	146.3	1.1
	IV	39	30.9	76.2	0.8	35	38.8	86.0	2.0	74	35.1	162.2	1.5
1997	I	53	29.7	89.1	1.0	30	35.8	40.4	2.2	83	31.6	129.5	1.3
	II	72	26.1	98.8	0.8	60	34.5	147.1	1.9	132	31.1	246.0	1.4
	III	34	31.0	44.6	0.9	41	38.2	90.7	1.5	75	35.8	135.2	1.3
	IV	62	33.1	138.8	1.7	29	50.8	45.9	1.8	91	37.5	184.7	1.7
1998	I	45	36.5	97.9	1.8	23	33.6	38.3	2.3	68	35.7	136.1	2.0
	II	55	31.7	157.9	1.7	70	27.9	110.7	1.6	125	30.2	268.6	1.7
	III	51	33.2	185.9	1.2	50	40.9	82.5	1.7	101	35.5	268.3	1.4
	IV	68	25.9	205.3	1.7	33	39.5	37.8	1.9	101	28.0	243.1	1.7
1999	I	77	32.5	191.1	1.3	28	38.9	54.2	2.2	105	33.9	245.3	1.5
	II	64	38.0	198.3	2.4	53	41.4	63.1	2.4	117	38.8	261.4	2.4
	III	25	37.1	44.4	2.4	38	37.1	124.0	2.3	63	37.1	168.4	2.3

Agmts. - Number of Agreements
 Avg. Adj. - Average Annual Adjustment
 Dur. - Average Agreement Duration
 Empls. - Number of Employees

Table E
Selected Economic Indicators,
by Year and Quarter

	1996	1997	1998	1998	1999		
				4	1	2	3
Wage Settlements (%)	0.9	1.5	1.6	1.7	1.5	2.4	2.3
Public Sector (%)	0.5	1.2	1.6	1.7	1.3	2.4	2.4
Private Sector (%)	1.7	1.8	1.8	1.9	2.2	2.4	2.3
Agreements in Force (%)	0.9	1.2	1.6	1.8	1.7	1.6	1.4
Public Sector (%)	0.6	0.9	1.3	1.5	1.3	1.2	1.1
Private Sector (%)	1.4	1.8	2.3	2.5	2.4	2.2	1.9
Consumer Price Index Per Cent Change ¹	1.6	1.6	0.9	1.1	0.8	1.6	2.2
GDP ² at Factor Cost ³ Per Cent Change ¹	1.5	4.1	2.9	2.5	3.1	3.5	4.3
Labour Productivity (%)	0.5	2.0	1.2	0.2	-0.1	0.4	0.5
Unit Labour Cost (%)	-0.9	1.0	1.5	1.4	-0.5	-1.2	-2.0
Unemployment Rate ³ (%)	9.7	9.2	8.3	8.0	7.8	8.0	7.7
Employment (000's) ³	13,676	13,941	14,326	14,517	14,650	14,642	14,496
Per Cent Change ¹	1.3	1.9	2.8	3.2	3.3	2.6	2.5
Average Weekly Earnings ³	\$ 586.06	\$ 598.26	\$ 606.31	\$ 607.96	\$ 606.07	\$ 608.67	\$ 612.30
Per Cent Change ¹	2.1	2.1	1.3	1.2	-0.2	0.4	1.1
Average Hourly Earnings	\$ 14.71	\$ 14.87	\$ 15.12	\$ 15.20	\$ 15.39	\$ 15.24	\$ 15.19
Per Cent Change ¹	2.4	1.1	1.7	1.5	1.9	0.2	1.5

¹ Per cent change from the same period of the previous year.

² GDP - Gross domestic product at factor cost (1992) prices.

³ Seasonally adjusted data.

Source: Workplace Information Directorate and Statistics Canada

TECHNICAL NOTES

The information in this report is produced from collective agreement settlements in Canada which cover 500 or more employees in all industries. A few settlements are excluded where the basis of payment is on a piece/mileage rate basis.

The construction industry is excluded prior to 1983.

The Base Rate

The base rate is the lowest paid classification used for qualified workers in the bargaining unit. In most instances, the base rate is the rate of pay for an unskilled or semi-skilled classification of workers. However, this is not the case in contracts covering only skilled workers and professional employees.

As only the base rate in a contract is used, the resulting data on percentage change do not necessarily reflect the average wage change for all workers in the bargaining unit. For example, where an across-the-board increase is negotiated for all classifications in cents per hour (or other money terms), measurement on the base rate produces higher results than measurement on any higher rate, including the average rate. Where varying percentage or money increases are negotiated for different classifications, measurement on the base rate may produce results that are higher or lower than measurement on the average rate. Where an across-the-board increase is negotiated for all classifications in percentage terms, measurement on the base rate produces results identical to measurement on any other rate, including the average rate. It should be noted that information on the average rate for all employees in a bargaining unit is not available.

Effective Wage Increase

The effective wage increase is the increase in rates of pay including estimated cost-of-living allowance (COLA) payments. Estimates of the yield of COLA clauses are obtained by quantifying the characteristics of these clauses in each agreement and applying a combination of actual Consumer Price Index (CPI) increases available to date plus a specified projected inflation rate for the remainder of the contract duration.

In succeeding quarters, these estimates are revised using actual CPI values as they become available.

In the current report, an inflation projection of 2 per cent has been used when the actual rate is unknown. This figure is based on a rounded average of inflation forecasts and is intended for illustrative purposes only and does not constitute an official forecast by Human Resources Development Canada. The use of different inflation rate scenarios could result in varying settlement increases. The inflation projection used will be revised periodically to reflect prevailing economic conditions.

By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

Public and Private Sectors

The principal unit of observation is the collective bargaining unit; however, the designation for inclusion in the public sector is by reference to characteristics of the employer with whom a bargaining unit negotiates. Reference to the employer characteristics makes the directives consistent with Statistics Canada's use of "institutional units" or "entities".

While the criteria relate to the classification of the public sector only, *the private sector is defined by exclusion*.

Public sector bargaining units negotiate wages or other working conditions with an employer who is part of, or an agent of, a government or a government business enterprise. The distinction between the two is whether the activity engaged in is "non-commercial" (Government) or "commercial" (Government Business Enterprise).

Government (Non-Commercial)

The government component comprises all non-commercial entities controlled by governments and mainly financed out of general taxation or other public

funds. These entities provide goods and/or services free or at non-market prices (not having a view to profit).

Sub-sectors of the government component are identified below:

(1) Federal Government

Collective bargaining in the Federal Government component is conducted under the *Public Service Staff Relations Act* (Parts 1 and 2), and the *Parliamentary Employment and Staff Relations Act*.

(2) Provincial and Territorial Governments

- (a) provincial and territorial government administration;
- (b) health, education and social services agencies or institutions:
 - (i) public hospitals,
 - (ii) provincial residential care facilities,
 - (iii) universities,
 - (iv) colleges, vocational and trade institutions,
 - (v) social services business enterprise,
 - (vi) provincial elementary and secondary schools.

(3) Local Government Administration

- (a) local government organizations such as: municipalities, boards, commissions;
- (b) school boards;
- (c) social services: establishments at the local level primarily engaged in providing basic domiciliary care only, such as homes for the aged, blind or senile, boarding houses for the aged, day nurseries, shelters, etc.

degree of governmental control, as follows:

(1) Direct Control

A commercial enterprise is directly controlled by a government if one of the following conditions is met:

- (a) a government holds more than 50 per cent of its voting equity, directly;
- (b) a government has irrevocable options or the right to acquire shares, or convertible debt or equity, exercisable at the discretion of that government.

(2) Effective Control

A commercial enterprise is effectively controlled by a government if one of the following conditions is met:

- (a) the government holds a significant voting ownership in a public enterprise, where "significant" is understood as:
 - (i) the holding is the largest block of voting equity; and
 - (ii) the holding exceeds 33.3 per cent of the voting equity; and
 - (iii) the block is larger than the combined percentage of the next two largest blocks;
- (b) the commercial enterprise declares that it is effectively controlled by a government;
- (c) there exists a method or variety of methods (e.g. significant voting ownership of the enterprise, technological agreements, supply controls or contracts, management contracts, interlocking directorships, etc.)

(3) Indirect Control

A business enterprise is indirectly controlled by a government if that government directly or effectively controls a government business enterprise, which in turn directly or effectively controls that enterprise.

Government Business Enterprise (Commercial)

The commercial component of the public sector is divided into three broad sub-groupings, based on

SECTION 2

EXPIRIES AND REOPENERS OF MAJOR COLLECTIVE AGREEMENTS IN JANUARY, FEBRUARY AND MARCH 2000

Note: Reopeners listed may be negotiated for wage provisions¹ and/or other provisions²

The full 1999 Calendar of Major Collective Agreement Expiries and Reopeners is available on the Workplace Information Directorate Web Site at: <http://labour-travail.hrdc-drhc.gc.ca/doc/wid-dimt/eng/expreo.cfm>

Company and Location	Union and Occupation	Number of Employees	Industry
JANUARY 2000			
QUEBEC			
¹ Alcan Smelters and Chemicals Ltd., Shawinigan	Fédération de la Métallurgie (CNTU) (hourly rated employees)	500	Manufacturing
¹ Alcan Smelters and Chemicals Ltd., Jonquière	Fédération des syndicats du secteur aluminium inc. (Ind.) (hourly rated employees)	2,450	Manufacturing
Société de transport de la Communauté urbaine de Montréal, Montréal	Cdn. Union of Public Employees (CLC) (bus drivers)	3,760	Transportation
Société de transport de la Communauté urbaine de Montréal, Montréal	Cdn. Union of Public Employees (CLC) (office and clerical employees)	650	Transportation
Société de transport de la Communauté urbaine de Montréal, Montréal	Fédération des employées et employés de services publics inc. (CNTU) (mechanics, service and maintenance employees)	2,010	Transportation
¹ Université de Sherbrooke, Sherbrooke	Syndicat des chargées et chargés de cours de l'Université de Sherbrooke (CEQ) (instructors, tutors and lecturers)	1,600	Services
Université du Québec à Montréal, Montréal	Fédération nationale des enseignantes et des enseignants du Québec (CNTU) (instructors, tutors and lecturers)	1,500	Services

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO			
DuPont Canada Inc., Kingston	Kingston Independant Nylon Workers Union (Ind.) (plant and maintenance employees)	1,100	Manufacturing
Great Atlantic and Pacific Company of Canada Limited (Food Basics), province-wide	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (retail employees)	2,200	Trade
Hershey Canada Inc., Smiths Falls	United Steelworkers of America (AFL-CIO/CLC) (plant and maintenance employees)	500	Manufacturing
Kaufman Footwear (Division of William H. Kaufman Inc.), Waterloo	United Steelworkers of America (AFL-CIO/CLC) (plant, maintenance, and warehouse employees)	1,200	Manufacturing
Lakehead Terminal Elevators Association, Thunder Bay	Transportation-Communications Intl. Union (AFL-CIO/CLC) (grain elevator employees)	700	Other Utilities
MANITOBA			
City of Winnipeg, Winnipeg	Amalgamated Transit Union (AFL-CIO/CLC) (bus drivers, service and maintenance employees)	1,200	Transportation
SASKATCHEWAN			
Saskatchewan Wheat Pool, province-wide	Grain Services Union (CLC) (grain elevator employees)	1,300	Other Utilities
ALBERTA			
City of Edmonton, Edmonton	Edmonton Police Assn. (Ind.) (police officers)	1,110	Public Administration
BRITISH COLUMBIA			
White Spot Limited, Vancouver	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (hotel or restaurant employees)	1,100	Services

Company and Location	Union and Occupation	Number of Employees	Industry
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FEBRUARY 2000

NEW BRUNSWICK

Island Fishermen's Co-operative Association Ltd., Lameque	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	500	Manufacturing
Noranda Mining and Exploration Inc. (Brunswick Mining Division), Gloucester County and Dalhousie	United Steelworkers of America (AFL-CIO/CLC) (mine employees)	815	Primary

QUEBEC

C.S. Brooks Canada Inc., Magog	Syndicat catholique des ouvriers du textile de Magog (Ind.) (production employees)	760	Manufacturing
Denim Swift (a subsidiary of Dominion Textile Inc.), Drummondville	Drummondville Textile-Cotton Workers Union Inc. (Ind.) (production employees)	740	Manufacturing
Northern Telecom Canada Limited (Nortel), Montréal	Cdn. Union of Communication Workers (Ind.) (hourly rated employees)	1,300	Manufacturing
¹ Provigo Distributing Inc., St-Laurent, Boucherville and Pointe-Claire	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (grocery distribution centre employees)	500	Trade
¹ Sidbec-Dosco (ISPAT) inc., Contrecoeur	United Steelworkers of America (AFL-CIO/CLC) (production employees)	1,320	Manufacturing

ONTARIO

Co-Steel Lasco, Whitby	United Steelworkers of America (AFL-CIO/CLC) (production employees)	510	Manufacturing
Communications Security Establishment . Department of National Defence, Ottawa	Public Service Alliance of Canada (CLC) (administrative services employees and foreign service officers)	550	Public Administration
Northern Telecom Canada Limited (Nortel), Brampton and Belleville	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (office, clerical and technical employees)	510	Manufacturing

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (suite)			
Northern Telecom Canada Limited (Nortel), Brampton and Belleville	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	940	Manufacturing
Walker Exhausts (Division of Tenneco Canada Inc.), Cambridge	United Steelworkers of America (AFL-CIO/CLC) (plant and maintenance employees)	550	Manufacturing
BRITISH COLUMBIA			
Greater Vancouver Hotel Employers' Association, Vancouver and Richmond	Hotel Employees and Restaurant Employees Intl. Union (AFL-CIO/CLC) (service, maintenance, hotel or restaurant employees)	2,000	Services
MORE THAN ONE PROVINCE			
National Research Council of Canada, Canada-wide	Research Council Employees' Assn. (Ind.) (technical employees)	900	Services
United Parcel Service Canada Ltd., Canada-wide	Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (truck drivers and mechanics)	2,930	Services
MARCH 2000			
NOVA SCOTIA			
Government of Nova Scotia, province-wide	Nova Scotia Government Employees Union (CLC) (administrative services employees)	5,700	Public Administration
Nova Scotia Liquor Commission, Halifax	Nova Scotia Government Employees Union (CLC) (retail employees)	600	Trade
QUEBEC			
Association de l'industrie du verre plat et du fenêtrage du Québec, Montréal	Intl. Brotherhood of Painters and Allied Trades (AFL-CIO/CLC) (plant and maintenance employees)	2,300	Manufacturing

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
QUEBEC (suite)			
Camoplast Inc. (Division Roski), Roxton Falls	Association des employés de Camoplast (Divison Roski) (Ind.) (production employees)	500	Manufacturing
ONTARIO			
Accuride Canada Inc., London	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	690	Manufacturing
Boeing Canada Technology Ltd., Amprior	Intl. Assn. of Machinists and Aerospace Workers (AFL-CIO/CLC) (production employees)	630	Manufacturing
Enbridge Consumers' Gas Company Ltd., province-wide	Communications, Energy and Paperworkers Union of Canada (CLC) (utility workers)	1,560	Other Utilities
Lear Corporation, Oakville	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	560	Manufacturing
Liquor Control Board of Ontario, province-wide	Ontario Liquor Board Employees' Union (CLC) (office, clerical, warehouse and retail employees)	4,400	Trade
Ontario Housing Corporation, Metropolitan Toronto	Cdn. Union of Public Employees (CLC) (service and maintenance employees)	500	Public Administration
Ontario Hydro, province-wide	Cdn. Union of Public Employees (CLC) (office, clerical and technical employees and general tradesmen (non-construction))	14,000	Other Utilities
¹ Ontario Sheet Metal and Air Handling Group, province-wide	Sheet Metal Workers Intl. Assn. (AFL-CIO/CLC) (sheet metal workers)	5,000	Construction
S.W.O. Distribution Centres Ltd., Trading as Surelink, Toronto and Mississauga	Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (warehouse employees and truck drivers)	700	Trade

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (suite)			
Teaching Hospitals' Committee, province-wide	Professional Assn. of Internes and Residents of Ontario (Ind.) (health and social care professionals)	2,250	Services
MANITOBA			
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (administrative services employees)	1,220	Public Administration
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (all categories)	13,520	Public Administration
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (correctional officers)	980	Public Administration
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (general tradesmen (non-construction) and general services employees)	2,280	Public Administration
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (health and social care professionals)	1,470	Services
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (office and clerical employees)	3,120	Public Administration
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (scientific and other professionals)	960	Public Administration
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (scientific and other professionals)	1,270	Public Administration
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (social science employees)	2,220	Public Administration
Manitoba Hydro, province-wide	Cdn. Union of Public Employees (CLC) (office, clerical and technical employees)	750	Other Utilities

Company and Location	Union and Occupation	Number of Employees	Industry
MANITOBA (suite)			
Manitoba Liquor Control Commission, province-wide	Manitoba Government Employees' Union (CLC) (administrative services, warehouse and retail employees)	700	Trade
Manitoba Lotteries Corporation, Winnipeg	Manitoba Government Employees' Union (CLC) (casino employees)	1,030	Services
ALBERTA			
Capital Health Authority (Royal Alexandra Hospital), Edmonton	Cdn. Union of Public Employees (CLC) (non-medical employees)	1,250	Services
Capital Health Authority (University of Alberta Hospital), Edmonton	Alberta Union of Provincial Employees (CLC) (non-medical employees)	1,660	Services
Capital Health Authority and Caritas Health Group, Edmonton and St. Albert	Cdn. Health Care Guild (Ind.) (nursing assistants)	960	Services
Capital Health Authority and Caritas Health Group, Edmonton and Area	Health Sciences Assn. of Alberta (Ind.) (para-medical professional employees)	910	Services
Capital Health Authority and Caritas Health Group, Edmonton and Area	Health Sciences Assn. of Alberta (Ind.) (para-medical technical employees)	1,280	Services
Caritas Health Group (Grey Nuns Hospital and Edmonton General Hospital), Edmonton	Cdn. Union of Public Employees (CLC) (non-medical employees)	690	Services
Provincial Health Authorities of Alberta, province-wide (excl. Edmonton)	Cdn. Health Care Guild (Ind.) (nursing assistants)	5,800	Services
Provincial Health Authorities of Alberta, province-wide (excl. Edmonton)	Health Sciences Assn. of Alberta (Ind.) (para-medical technical employees)	2,640	Services
Provincial Health Authorities of Alberta, province-wide (excl. Edmonton)	Health Sciences Assn. of Alberta (Ind.) (para-medical professional employees)	770	Services

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ALBERTA (suite)			
University of Alberta, Edmonton	University of Alberta Non-Academic Staff Assn. (Ind.) (office, clerical, technical, service and maintenance employees)	2,400	Services
University of Alberta, Edmonton	University of Alberta Non-Academic Staff Assn. (Ind.) (technical employees)	840	Services
BRITISH COLUMBIA			
B.C. Gas Utility Ltd., province-wide	Office and Professional Employees Intl. Union (AFL-CIO/CLC) (office, clerical and technical employees)	660	Other Utilities
Cara Operations Limited, Richmond	Hotel Employees and Restaurant Employees Intl. Union (AFL-CIO/CLC) (hotel or restaurant employees)	610	Services
Emergency Health Services Commission, Vancouver	Cdn. Union of Public Employees (CLC) (ambulance drivers)	3,270	Other Utilities
NORTHWEST TERRITORIES			
Government of the Northwest Territories, territory-wide	Public Service Alliance of Canada (CLC) (office, clerical and technical employees)	4,000	Public Administration
MORE THAN ONE PROVINCE			
Government of Canada, Canada-wide	Cdn. Merchant Service Guild (Ind.) (ship's officers)	850	Transportation

Visit our Internet Web Site for access to a complete 1999 Calendar of Expiries and Reopeners at:

<http://labour-travail.hrdc-drhc.gc.ca/doc/wid-dimt/eng/expreo.cfm>

(The 2000 Calendar of Expiries and Reopeners will be available soon)

SELECTED PROVISIONS IN MAJOR COLLECTIVE AGREEMENTS*

Pension Plans – Age and Years of Service Requirements in Major Collective Agreements by Industry in Canada, in January 1988 and 1998

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Introduction

Over the last decade, the nature of Canada's workforce has changed considerably with an ever-increasing number of part-time workers, the self-employed, and other contingent workers. Consequently, employees have tended to be truer to their own professions than to their organization¹ and are increasingly focused on health and leisure issues as well as their own personal well-being. Employers and unions have subsequently had to adapt to these changing needs in order for these to be better addressed in collective agreements.

The following article demonstrates these developments by providing an analysis of three types of retirement formula: those based on age only, years of service only and a combination of age and years of service. To begin, an overview of the trends in all industries as a whole is provided, followed by a more detailed summary of each of the major industry sectors. The January 1988 sample is comprised of 1,108 collective agreements covering 2,400,074 workers compared to a total of 992 collective agreements in January 1998 covering 2,224,520 workers.

All Sectors

In 1988, only 19.1 per cent of workers were eligible for retirement benefits at age 65 compared to 49.2 per cent of workers in 1998. The age requirement for retirement has also considerably decreased as 40.9 per cent of workers were eligible for retirement at age 60 in January 1998 compared to 2.6 per cent of workers who could retire at the same age in January 1988.

The years of service requirement also indicates an increase in the number of workers who are eligible for retirement at an accelerated rate. In January 1988, 3.8 per cent of employees were entitled to pension benefits after 30 years of service and 0.4 per cent after 35 years, compared to 10 per cent and 11.5 per cent in January 1998. Furthermore, in 1988, 95.6 per cent of workers were not covered by this type of provision whereas in 1998, the percentage had decreased to 77.7 per cent.

Finally, with regard to the combination of age and years of service, the majority of workers in both 1988 and 1998 were eligible for retirement benefits at age 60, with however, a decreased number of years of service required in 1998. More specifically, in January 1988, the majority of employees benefiting from this type of formula were entitled to retirement benefits at age 60 and after 30 years of service whereas in January 1998, 21 per cent of workers could retire at the same age but after 20 years of service.

Major Industry Sectors

Primary Industries

Over the past ten years, there has been little change in retirement benefit provisions in the Primary industries, which is largely attributable to the notable decrease in the number of workers and collective agreements in this sector. In 1988, there were a total of 39 major collective agreements covering 43,446 workers compared to 19 collective agreements with a coverage of 22,208 employees in 1998.

* Major collective agreements are those covering 500 or more employees.

¹ HECKSCHER, C. (1999), "Taking Transformation Seriously" in R.Hurd, H.Katz and L. Turner, *The Revival of the American Labor Movement*, Ithaca, ILR Press, 22 pages.

Manufacturing

Between 1988 and 1998, there was very little change in the number of employees and collective agreements in this sector. There has been however, a decreasing trend in both the age and years of service required to qualify for retirement benefits.

A first observation regarding the age requirement is that in 1998, 3.0 per cent of workers were eligible for retirement at age 58 while this provision did not exist in 1988. Secondly, the percentage of workers entitled to retirement benefits at age 60 increased by approximately 15 per cent, from only 3.1 per cent of employees eligible for retirement at age 60 in 1988 to 17.4 per cent of workers in 1998. A further notable change is the increase in the percentage of employees who were eligible for retirement at age 65. In 1988, 35.4 per cent of employees had this entitlement compared to 59.1 per cent in 1998.

The number of workers eligible for retirement according to the number of years of service has remained largely the same over the past decade. In 1988, however, 7.3 per cent of employees had the option of retirement after 30 years of service compared to 11.7 per cent in 1998. Only 0.8 per cent of workers could receive retirement benefits at age 58 after 20 years of service in 1988, whereas in 1998, this provision applied to 6.3 per cent of workers. Finally, retirement at age 60 with 30 years of service was available to the majority of employees in both 1988 and 1998.

Construction

The number of employees covered by major collective agreements in this sector has slightly varied over the past ten years. The percentage of employees eligible for retirement benefits at age 60 increased by approximately 10 per cent over the same period with only 0.5 per cent of workers with this entitlement in 1988 compared to 11.0 per cent of workers in 1998. The increase is even more significant with respect to retirement at the age of 65, from only 3.5 per cent of workers with this entitlement in 1988 to 53.9 per cent in 1998.

In 1988, retirement was based on age only, whereas in 1998, employees were eligible for retirement based on years of service as well. For example, in 1998, 9.4 per cent of workers could retire after 30 years of service, while 20 per cent of employees were covered by retirement provisions with a combined requirement of age and years of service.

Transportation, Communication and Other Utilities

Between 1988 and 1998, there was a notable increase in the number of employees entitled to retirement benefits at age 60, from only 5.4 per cent of workers in 1988 to 38.8 per cent in 1998. The same is true for the proportion of workers eligible for retirement at age 65. In 1988, only 7.3 per cent of employees could receive retirement benefits at age 65 while 53.9 per cent of workers had this same entitlement in 1998, an increase of approximately 47 per cent.

In 1988, there was no retirement formula requiring a specific number of years of service, whereas in 1998, approximately 36 per cent of workers were covered by this type of formula. Changes to retirement eligibility based on a combination of age and years of service have been largely centred around the formula stipulating 55 years of age and 30 years of service, with 1.4 per cent of workers with this entitlement in 1988 compared to 23.5 per cent in 1998.

Finance, Insurance and Real Estate

The two most significant developments in this sector involve retirement eligibility based on age. In 1988, only 1.6 per cent of workers could retire at age 60 while the percentage of employees with this entitlement grew to 42.7 per cent in 1998. In addition, only 7.6 per cent of employees obtained retirement benefits at age 65 compared to 44.3 per cent of workers in 1998. All other retirement formulae have remained substantially the same over the past ten years.

Community, Business and Personal Services

In this sector, the most significant changes involve retirement based on an age requirement only. In 1988, only 2.1 per cent of workers could receive retirement benefits at age 60 compared to 49.9 per cent in 1998. There has also been a notable change in the number of workers able to retire at age 65, from only 7.7 per cent of workers in 1988 to 47 per cent in 1998.

In 1998, 13.2 per cent of workers were eligible for retirement benefits after 30 years of service whereas in 1988 no such provision was available. Only 2.2 per cent of employees were eligible for retirement benefits after 35 years of service compared to 10 per cent in 1998. There has been no significant change over the past ten years in the formula combining age and years of service.

Public Administration

In the public sector, the number of workers qualifying for retirement benefits at age 60 has increased substantially by approximately 50 per cent over the past ten years. In 1988, only 3.5 per cent of workers were entitled to this provision compared to 54.8 per cent in 1998. There has been a similar increase in the number of employees qualifying for retirement at age 65, from 11.3 per cent in 1988 to 41.2 per cent in 1998.

Since 1988, a number of new types of retirement provisions have been added to collective agreements. For example, in 1998 approximately 24 per cent of workers were covered by a retirement formula based on years of service and only one provision which stipulated a combination of age and years of service, that is, at age 60 and with 30 years of service. The proportion of employees covered by this provision

however was greater in 1988 with 11.3 per cent compared to 2.1 per cent in 1998. This decrease in percentage can be explained by the addition of various combinations of age and years of service in 1998, such as, the eligibility for retirement at age 60 with 20 years of service, for 33.6 per cent of employees in 1998.

Conclusion

In conclusion, the past decade has revealed a definite decreasing trend in both the age and number of years of service required to become eligible for retirement. This trend would seemingly address the labour force's changing nature and priorities. Will the possibility of an even earlier retirement hold true in the future or will a presently ageing workforce have the opposite effect? This latter phenomenon will surely have an impact on the whole retirement issue.

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 - searchable *Labour Organizations* database.
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WORK STOPPAGES* – THIRD QUARTER OVERVIEW – 1999 AND CHRONOLOGICAL PERSPECTIVE

*Work Stoppages, Labour Organizations and Collective Agreement Analysis Section
Workplace Information Directorate
Labour Program, Human Resources Development Canada*

Summary

- Time not worked as a result of strikes and lockouts during the first nine months of 1999 amounted to 2,174,082 person-days. This total is somewhat higher than the first nine months average of 2,005,756 person-days lost for the ten-year period of 1989-1998
- The number of workers involved in labour disputes during the first nine months of 1999 totalled 132,443, over the previous ten years which is however lower than the first nine months average of 157,819
- There were 324 work stoppages during the first nine months of 1999, compared with the first nine months average of 341 stoppages over the last ten years
- The average of 16.4 person-days not worked per worker involved in disputes, is higher than the first nine months average of 12.7 days over the previous ten years

Table A

Work Stoppages by Jurisdiction

Jurisdiction	Ongoing during the Third Quarter			Cumulative to September 30, 1999		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Newfoundland	8	2,316	32,300	11	5,579	55,940
Prince Edward Island	-	-	-	-	-	-
Nova Scotia	4	834	32,500	15	1,540	48,760
New Brunswick	3	348	13,130	6	2,027	23,170
Quebec	53	11,342	267,460	113	20,995	618,362
Ontario	52	6,603	142,700	107	43,452	538,360
Manitoba	4	1,379	20,870	7	1,704	31,360
Saskatchewan	1	190	7,600	7	21,238	83,900
Alberta	5	3,042	21,400	9	3,872	58,190
British Columbia	23	3,337	41,130	36	15,048	195,760
More Than One Province	-	-	-	-	-	-
Total Provinces	153	29,391	579,090	311	115,455	1,653,802
<i>Canada Labour Code - Part I</i>	4	1,790	87,560	10	14,583	429,370
Federal Administration	-	-	-	3	2,405	90,910
Federal Total	4	1,790	87,560	13	16,988	520,280
Total	157	31,181	666,650	324	132,443	2,174,082

Source: Workplace Information Directorate

* Involving one or more employees.

- Ten major work stoppages (of the 324) occurring during the first nine months of 1999 accounted for approximately 43 per cent of the total person-days not worked
- A strike by 9,500 **Bell Canada** employees, in Ontario and Quebec accounted for 220,500 person-days not worked during the first nine months of 1999, approximately 10 per cent of the nine-month total. The main issues were wages and job security
- The strike of 1,500 **Hydro-Québec** technicians, trades and office employees represents 150,000 person-days not worked during the first nine months of 1999, which is approximately 7 per cent of the total number of person-days lost during these nine months. Once again, wages were the main issue
- Three strikes within the **Toronto District School Board** involving a total of 14,000 CUPE workers accounted for 140,000 person-days not worked during the first nine months of 1999, approximately 6.5 per cent of the first nine months total
- Two other work stoppages reached the 100,000 person-days not worked level during the nine first months of 1999: the **Government of Quebec** nurses strike and the lockout at **MTS Communications Inc.** in Manitoba have respectively reached 104,500 and 103,000 person-days not worked
- Three other work stoppages together accounted for approximately 10 per cent of the total person-days lost during the first nine months of 1999, as follows: **Government of Canada**, 1,600 employees across the country; various **British-Columbia medical facilities**, 6,500 practitioners province-wide; and finally, the **National Steel Car Ltd.** in Ontario, 2,200 employees

Table B
Work Stoppages by Industry

Industries	Ongoing during the Third Quarter			Cumulative to September 30, 1999		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Primary Industries	9	3,750	107,180	15	4,543	193,560
Manufacturing	52	7,054	117,880	99	22,451	378,882
Construction	1	400	570	4	622	6,020
Transportation, Communication and Other Utilities	14	4,013	207,430	34	28,096	659,710
Trade and Finance	27	2,007	51,350	45	2,536	129,920
Community, Business and Personal Services	42	12,698	137,910	95	68,894	628,320
Public Administration	12	1,259	44,330	32	5,301	177,670
Various Industries	-	-	-	-	-	-
Total	157	31,181	666,650	324	132,443	2,174,082

Source: Workplace Information Directorate

Table C
Work Stoppages – A Chronological Perspective

Period	Number beginning year or month	in existence during year or month*			% of Estimated working time
		Total Number	Workers involved	Person-days not worked	
1989	568	627	444,747	3,701,360	0.13
1990	519	579	270,471	5,079,190	0.17
1991	399	463	253,334	2,516,090	0.09
1992	353	404	149,940	2,110,180	0.07
1993	323	381	101,784	1,516,640	0.05
1994	312	374	80,856	1,606,580	0.06
1995	282	328	149,159	1,583,061	0.05
1996	297	330	281,816	3,351,820	0.11
1997	229	284	257,662	3,610,196	0.12
1998	339	379	233,034	2,463,620	0.08
1999	266	324	132,443	2,174,082	0.09
1998					
September	49	114	44,465	399,870	0.15
October	30	94	27,895	199,980	0.08
November	30	84	100,825	268,230	0.01
December	22	80	11,115	134,090	0.05
1999					
January	14	72	27,745	139,580	0.05
February	23	77	17,686	155,280	0.06
March	38	101	40,124	392,392	0.15
April	36	100	54,413	401,900	0.15
May	31	101	21,387	220,490	0.08
June	39	106	17,300	197,790	0.07
July	27	99	21,224	305,740	0.11
August	27	95	12,146	183,380	0.07
September	31	104	16,812	177,530	0.07

* Refers to work stoppages which began during the year or month as well as those carried over from the previous year or month.

Source: Workplace Information Directorate

SECTION 3

INNOVATIVE WORKPLACE PRACTICES

Céline Laporte

Information and Client Services Section, Workplace Information Directorate

Labour Program, Human Resources Development Canada

Of the total 126 recently settled collective bargaining agreements, approximately one-third (40 settlements) report having initiated or implemented at least one new or innovative workplace practice.

Duration

The average duration of the 126 settlements, (**36.4 months**) confirms a growing trend towards the negotiation of longer-term collective agreements in the latter half of the 1990s, from an average of 32.8 months in 1995 to 36.6 months in 1999 to date. Comparatively, those collective agreements settled in the early 1990 (1990 to 1994), had an average term of 24.6 months (see chart below).

Thirty-nine of the 126 recent settlements (31 per cent) are scheduled to expire within 24 months or less, while 23 settlements (18 per cent) extend over a period of 48 months or more, including a number of **72-month agreements** in the pulp and paper industry in various locations across Canada. The majority of the settlements reached over the past few months

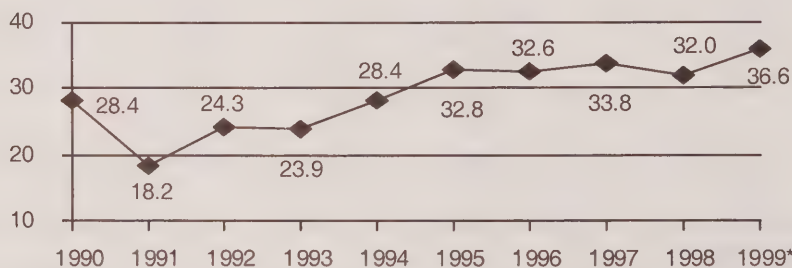
(37 per cent) have been renewed for a period of 36 months.

Labour-Management Committees

Twenty-one (50 per cent) of the settlements reporting an innovative practice provide for the establishment of a joint committee with varying degrees of responsibilities. These include the establishment of:

- a Tripartite Committee involving NAV CANADA, the Canadian Air Traffic Control Association and Transport Canada, to review and report on **fatigue related matters** with any subsequent actions to be taken by Transport Canada;
- a Labour-Management Issues Committee within the Government of Newfoundland and Labrador with a mandate of discussing, and where feasible, developing province-wide policies concerning issues such as in-service **training-on-the-job, scheduling and banking of hours and workload**;

Average Duration of Agreements
(in months) 1990 à 1999



* January to August 1999

Source: Workplace Information Directorate

- a **Violence, Harassment and Racism Concerns Committee** within the Hamilton-Wentworth District School Board to recommend procedures to deal with related concerns; and
- a joint committee within the City of Winnipeg responsible for reviewing and making recommendations on **quality of work life** issues.

Organization of Work

Three of the 40 settlements provide examples of initiatives related to the organization of work, namely:

- the settlement between The Queen Elizabeth Hotel and the Fédération du commerce inc. which provides for a **reduction in workload**;
- the agreement between Stora Enso Port Hawkesbury Ltd. and the Communications, Energy and Paperworkers Union of Canada, Local 972, which allows for greater **trades flexibility**; and
- the settlement between the Société du parc des Îles and the Fédération des employées et employés de services publics inc. which reduces the previous total customer service group classifications from nine to **one all-encompassing group**.

Compensation and Working Conditions

Almost a third of the settlements reporting a new or innovative practice (12 of the 40 settlements) cite initiatives which address compensation, family-related responsibilities and work environment issues. New initiatives related to compensation include a new **Corporate Team Incentive Plan** in the agreement between the Canada Post Corporation and the Public Service Alliance of Canada and the introduction of a **Performance Incentive Bonus** with a minimum lump-sum payment of 1.0 per cent of earnings per year in the agreement between Alcan Smelters and Chemicals Ltd. and the National Automobile, Aerospace, Transportation and General Workers Union of Canada, Local 2301. Examples of family-related initiatives include the introduction of a **childcare supplement** of up to \$2,000 per year per child five years and younger and **tuition assistance for dependents** in the amount of \$800 per year per dependent enrolled in a college or university as

provided in the agreements between Ford Motor Company of Canada, General Motors of Canada Limited and DaimlerChrysler and the National Automobile, Aerospace, Transportation and General Workers of Canada; a one-time employer payment of \$200,000 for **child care start-up** purposes and an additional 10 per cent increase to the fund balance provided for in the settlement between the Canada Post Corporation and the Public Service Alliance of Canada; and the introduction of unpaid leave for **long-term care of a parent** in the settlement between the National Research Council of Canada and the Research Council Employees' Association. Work environment provisions include a new **intoxicant-free workplace policy** as provided for in the settlement between Kimberly-Clark Forest Products Inc. and the Paper, Allied-Industrial, Chemical and Energy Workers International Union, Local 7-0665, and the International Brotherhood of Electrical Workers, Local 1861; and a pilot project involving the development of a **Peer Support Network** for OC Transpo employees, to deal with such issues as **conflict resolution, counseling, harassment and discrimination**.

Training and Development

Three of the 40 settlements include a new practice related to training and development such as the provision for **educational leave** in the agreement between DDM Plastics and the International Association of Machinists and Aerospace Workers, Local 2792, which affords employees up to one year's leave of absence for work-related development and for which costs at a maximum of \$500 per course and at an annual maximum of \$1,250 are reimbursed. Elsewhere, the agreement between St. Boniface General Hospital and the United Food and Commercial Workers International Union, Local 832, provides for the establishment of an **Education and Training Trust Fund** to which the employer will contribute \$60,000 in each of the years 1999, 2000 and 2001; and finally, the settlement between National Steel Car Ltd. and United Steelworkers of America, Local 7135, provides for 16 hours of **safety and health training** per employee over the term of the collective agreement, paid for by the employer.

LABOUR-MANAGEMENT WORKSHOPS IN CANADIAN TRANSIT SYSTEMS YIELD POSITIVE RESULTS

Al Cormier
Project Facilitator
Cor Al Services

Summary

During the period 1996 to 1998, labour management workshops were conducted in nine Canadian transit systems. These workshops were the culmination of collaborative efforts between the Amalgamated Transit Union – Canadian Council and the Canadian Urban Transit Association. Two types of activities were carried out:

- day-long workshops of union executive members and the senior management team; and
- "Let's Sit in the Same Room and Talk About It" program, commonly referred to as the TAP program. This program involved all employees in surveys and focus groups.

The workshops delivered to six transit systems in 1996 were reported in a monitoring report dated August 1997. This case study covers three transit systems which had labour-management workshops or TAP programs carried out in 1997 and 1998. A telephone survey of the presidents from the union locals and general managers from the transit systems was used to determine the impact of the activities carried out. The findings can be summarized as follows:

- The labour-management workshops and TAP programs have yielded significant and tangible results in all of the transit systems involved, although in one case, labour does not share this view.
- Results and benefits include items such as:
 - new labour-management committees to address issues identified in the workshops/programs;
 - improved communications between labour and management;
 - improved acceptance of issues as common issues deserving the cooperation of both sides in their solution;

- replacement of individuals who might have contributed to negative situations in the past;
- significant reductions in grievances, improved employee attitudes and morale.

Background

During the years 1993 to 1995, the Amalgamated Transit Union – Canadian Council and the Canadian Urban Transit Association collaborated on a project aimed at defining strategies to improve labour-management relationships in the Canadian public transit industry. A national team of labour leaders and transit managers met in a series of workshops to define the existing state of labour relations and to identify acceptable strategies to improve conditions where appropriate. The results of this activity was the publication of a report titled "**Public Transit – It's Our Future**" in August 1995.

A key recommendation of this report was that the understanding of the issues and of the adopted strategies developed at the national level be taken to the local level through a series of labour-management workshops.

In February 1996, a joint Amalgamated Transit Union – Canadian Council and the Canadian Urban Transit Association proposal to Human Resources Development Canada recommended a format for local labour-management workshops across Canada. About 35 workshops were anticipated. The proposal also envisaged the preparation of a Workshop Facilitators Guide and the training of facilitators to carry out such workshops.

A tri-party agreement was signed on July 31, 1996, and Federal Labour Minister Alfonso Gagliano announced the agreement in a press release dated August 31, 1996. Workshops began in the fall of 1996. In February 1997, the Amalgamated Transit Union – Canadian Council and the Canadian Urban Transit

Association suggested that due to a number of external factors, it would be difficult to hold as many labour-management workshops as originally planned. It was further explained that strategies adopted at local workshops of senior management and labour leaders needed to be brought down to the rank and file employees of both labour and management to increase the buy-in of these strategies and to improve their chances of resulting in real changes in local transit systems. As a result, the agreement was amended to include the TAP program as part of the deliverables under the agreement. This Program was developed by TI Corporation of Mississauga, Ontario, and was easily adaptable to support the labour-management workshops.

Workshops/Programs

The table below lists the eight labour-management workshops and the three TAP programs delivered under the agreement.

Results from each Workshop/Program Carried Out in 1997 and 1998

a) Pickering, Ontario

Pickering Transit benefited from both the day-long labour-management workshop as well as from the TAP program. Here also, combined together, these two programs set the stage for some significant labour-management improvements. Some of the key changes noted include:

- major reductions in grievances;
- the appointment of labour representatives on new committees to look at work issues;
- the replacement of the transit supervisor by the inspector and the filling of the inspector's position from within.

Workshops/Programs

Activities carried out in 1996

Date	City/Province	Type of Activity	Number of Participants	
			Labour	Management
1996-02-10	Thunder Bay, Ontario	Labour-Management Workshop	4	3
1996-04-10	St. John's, Newfoundland	Labour-Management Workshop	6	5
1996-09-30	Red Deer, Alberta	Labour-Management Workshop	8	4
1996-10-01	Lethbridge, Alberta	Labour-Management Workshop	6	4
1996-10-02	Medicine Hat, Alberta	Labour-Management Workshop	4	4
1996-10-29	Windsor, Ontario	Labour-Management Workshop	5	12

Activities carried out in 1997 and 1998

Date	City/Province	Type of Activity	Number of Participants	
			Labour	Management
1997-10-17	Pickering, Ontario	Labour-Management Workshop	4	6
1997-11-12	Pickering, Ontario	TAP Program	22	3
1998-01-29	Brampton, Ontario	Labour-Management Workshop	10	10
1998-01-05	Brampton, Ontario	TAP Program	150	10
1998-04-18	Cornwall, Ontario	TAP Program	45	4

A negative situation in Pickering is the standing proposal to merge the Pickering Transit services with those of the neighbouring Ajax municipality to create a new transit organization serving the two communities. While Ajax Council has temporarily shelved these plans, Pickering Council has not. This leaves the employees with an uncertain future. Management indicated that if the amalgamation goes ahead, the new management and union structure would benefit greatly from another labour-management workshop to work on the many new issues that will undoubtedly accompany the amalgamation process.

b) Brampton, Ontario

Brampton Transit benefited from both the day-long labour-management workshop as well as from the TAP program which dealt with all transit file employees. Combined together, these two programs set the stage for some significant labour-management improvements. Some of the key changes noted include:

- changes in both management personnel and union executive;
- establishment of new labour-management committees;
- significant drivers' input into route changes;
- more sharing of information with employees;
- morale, attitude and attendance improved; and
- acknowledgement by both labour and management that progress has been made and that the work is not complete. Both sides are eager to continue improvements.

c) Cornwall, Ontario

The changes in Cornwall, which received the TAP program only, are not as significant as in the other two cities. This has likely to do with the fact that the one-day labour-management workshop usually sets the stage for more cooperative actions resulting from the workshop or from other programs such as TAP. The improvements, in terms of labour-management relations to date are more modest than in the other two cities. The improvements noted include:

- setting up joint labour-management committees to deal with marketing, route planning and maintenance;

- setting up an anti-rumour board;
- more regular labour-management meetings;
- distribution of minutes of the labour-management committee meetings to every staff member;
- more sharing of information from management via letters distributed to every employee;
- service changes instituted on Saturdays;
- involvement of staff in the set up of automated dispatching for para-transit services; and
- transit managed to avoid further budget cuts contemplated by the City.

Results from these new committees are not significant as yet. Although many good ideas evolved, actual implementation is still to be seen. Unless some of these ideas are implemented soon, the will of labour representatives to continue sitting on these committees may wane.

The telephone interviews were held with the Union President and the Transit Manager only. If the views of these two individuals represent that of their staff and/or members, it is clear that the activities and the progress achieved is not seen in the same light by both sides. Their individual perceptions of progress and hopes are very different. Management shows some satisfaction with progress while labour sees very little, if any.

Lessons Learned

Three important lessons were learned during the process of carrying out the Labour-Management Workshops and the TAP programs. These are:

- Getting the Senior Management and the Union Executive Committee in a workshop for dealing with issues and changes is significantly hindered if all file employees are not part of the process. Accordingly, to be most effective, the Labour-Management Workshops should ideally be followed by a TAP program.
- Proceeding directly to a TAP program, without first going through the Labour-Management Workshop is risky if either the Union Executive or the Senior Management is not committed to jointly address the issues.

- The facilitators should follow up with both Senior Management and the Union Executive within four to six months after the workshop/program to ensure that actions are proceeding and to offer additional facilitating assistance if necessary.
- Transit systems willing to accept such programs in the future should first have the workshop involving the Senior Management and the Union Executive before starting the TAP program which involves all transit employees.

Recommendations

Judging from the results of this process, the following recommendations are made:

- The Canadian Urban Transit Association and the Amalgamated Transit Union – Canadian Council should continue offering the workshops and programs.
- Labour-management workshops should be followed by TAP programs to ensure the buy-in and involvement of all employees.
- The Program facilitators should follow up on progress within four to six months after the completion of the Program and, where judged necessary, make themselves available for additional support to carry on with the recommended actions.

The views and opinions expressed in this document are those of Workshop Participants, and do not necessarily reflect the position of the Labour Program, Human Resources Development Canada.

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PARTNERSHIP, PARTICIPATION AND TENSIONS: THE CASE OF THE ABITIBI-PRICE PAPER MILL IN ALMA, QUEBEC

Maryse Lachance and Paul-André Lapointe
Université Laval

Like all other large paper mills, Abitibi-Price Inc. had to innovate to adapt to the crisis that shook the industry at the end of the 1980s. In Alma, issues of work reorganization and job protection provided the opportunity to develop better labour-management co-operation. This study¹ intends to explore this new labour-management co-operation to determine to what extent the 1993 signing of a partnership agreement between Abitibi-Price Inc. and the Syndicat national des travailleurs des pâtes et papiers d'Alma inc. (Confederation of National Trade Unions) fostered greater worker and union participation in the management of the company and the introduction of organizational innovations. New labour relations were implemented through the innovations made in this paper mill.

The Alma mill's fame is widespread. All those who have become closely or remotely interested in this innovative experiment call it a success story. Like most studies related to corporate innovations, writings on the Alma mill nevertheless have focused on identifying changes and examining their effects on social and economic performance, leaving aside the issue of their sustainability. Yet this issue is critical given the numerous tensions that are at the very heart of these innovations and that particularly affect the local union.

Technological Changes, Investments and Jobs²

From an unstable economic and financial situation at the end of the 1980s, the Alma mill has risen to the first quartile of the world's paper producers. The

long-term survival of the plant is now assured. The efforts made by everyone on the scene translated into unprecedented performance improvements that led to the reinvestment of profits in technological modernization of equipment. From 1995 to 1997, more than \$165 million was reinvested in the Alma mill, which works out to an annual average of more than \$55 million, compared to an average of \$13 million annually between 1984 and 1992.

In 1996, \$110 million was spent to set up a thermo-mechanical pulp shop. This technological change was a test for the partnership. Initially, the introduction of this shop was to mean the loss of more than 180 union jobs. However, as a result of negotiations within the framework of job management planning, there were only 60 layoffs. Many means were used to achieve this result.

First, a new early retirement plan was set up. To this end, Abitibi-Price Inc. granted \$3.9 million to allow slightly more than a hundred people to retire at age 56, without financial penalty. Second, the parties agreed to invest in training. Abitibi-Price Inc. also committed itself to investing an average of one million dollars per year over and above the regular training budget, to be spread over six years, starting in 1997. This training project allows for job retention. In fact, workers receiving training are replaced in their jobs by colleagues who would otherwise be without a job. Third, the parties agreed to set up a new system to manage succession. This new system eliminates the concept of the succession list and integrates the people on that list into the teams assigned to the plant's production activities.

¹ This study led to a master's dissertation: LACHANCE, Maryse, 1998, Partenariat, participation et tensions : le cas de la papeterie Abitibi-Price Alma, under the supervision of Paul-André Lapointe, Industrial Relations Department, Université Laval. The field work was done between May 27, 1996 and March 20, 1997. There were a total of 44 formal, semi-directed interviews. Data collection was also done through about 100 hours of direct observation in the mill.

² The main events surrounding the emergence of new labour relations in the Alma paper mill are presented in Ruth Chamberland's case study, which is available on the Human Resources Development Canada Web site at <http://labour-travail.hrdc-drhc.gc.ca/>.

Technological innovations have certainly led to improvements in quality, machine efficiency and productivity, but these improvements are also due to the intensification of work, to organizational innovations and to the use of employee know-how. In terms of work organization, there were innovations in four areas: changes in the organizational structure, the introduction of work teams, task flexibility and the setting up of off-line groups for daily production activities.

Changes in the Organizational Structure

The flattening of the organizational structure led to the elimination of two levels. In 1992, the organizational structure went from five to three levels. However, this evolution also saw an increase in the number of technical and administrative managers. The organizational structure was also modified with the uniform decrease in direct supervision in all sectors of the plant. This change brought about the elimination of first-level supervisors (foremen) on the evening, night and weekend shifts. Finally, the role of the first-line supervisor, named the co-ordinator, was changed considerably. Previously cast as a technical expert, today the co-ordinator is called upon more to help and advise the workers and to act as a coach for the work team.

The objective of this operation was to encourage front-line worker accountability, both in the operators and in the tradesmen. The workers, who are given more autonomy in their work, handle the normal operation of the manufacturing processes. They are therefore in a position to make more decisions about the execution and co-ordination of their own work. On the other hand, the technical managers do the more complex work that requires solving more complicated problems and planning procedural changes.

In short, the changes in the organizational structure have led to more autonomy for all the workers in the plant. However, the reduction in direct supervision also brings with it new forms of direct control. Previously, it was authoritarian in nature and oriented mainly towards maintaining discipline. Now, control is changing in the new climate of co-operation; it is friendlier and directives look more like advice.

Teamwork

The introduction of new technologies and the changes to the organizational structure, combined with the need to improve production, favoured the

implementation of semi-autonomous work groups in the Alma paper mill. In fact, the two new departments in the fibre and pulp sector apply these new principles of work organization. The first groups were introduced in 1994 when the deinked pulp shop was set up. Since the experiment produced the desired results, in 1996 the parties agreed to use the same organizational principles in the new thermo-mechanical pulp shop.

These groups, which account for less than ten per cent of the workers, are in fact small work collectives because of the limited number of workers in each team. The groups in the deinked pulp shop have four employees per shift; only three operators per shift are responsible for the operation of the entire thermo-mechanical shop. In both cases, the workers have chosen to rotate through all the workstations. This type of organization was selected because of its versatility and because it helps reduce monotony at work. There is no hierarchy within the group, no job scale and no team leader. In addition, all workers are paid at the same rate.

The team of operators is responsible for the department during its shift; co-ordination during the day, from Monday to Friday, is the responsibility of a co-ordinator. The withdrawal of direct supervision translates into work enrichment since many management responsibilities fall to the team members, including time management (work schedules, vacation and floating holidays) and the ordering of materials and equipment. In addition, if there is an excessive workload, the team members are responsible for getting an additional team member, without prior approval from the co-ordinator. In the co-ordinator's absence, certain important decisions, such as a complete stoppage of the production system, are part of the new responsibilities of the work team.

The increased importance of the teamwork is also visible in all sectors of the plant. However, in these sectors, teamwork takes more rudimentary forms that are more in keeping with the traditional organization of work and the preponderance of the hierarchy in relationships between workers. Thus the powers and responsibilities devolved to the workers remain by and large confined to a limited number of them, those who are the most experienced and who also hold the jobs at the top of the scale. Teamwork in these sectors is characterized by an improvement in communications as well as increased co-operation and mutual assistance among team members.

In the plant as a whole, the principle of teamwork results in wider circulation of information, better transmission of knowledge and know-how among team members, and more mutual assistance, not only between team members, but also between teams on different shifts. In summary, teamwork fosters more involvement by the workers; this is also true of the off-line groups.

Off-Line Groups

There are many quality improvement groups in the Alma paper mill; a significant percentage of the unionized workforce is involved in those groups, in co-operation with management representatives. These workers come from the front line and their involvement is voluntary. By participating, the workers acquire new expertise that allows them to add to their knowledge and abilities. In fact, these workers occupy positions that are generally given to outside consultants or even to management executives. These groups, in fact, are the expression of a decentralization of responsibilities to front-line workers. Three of these groups are especially noteworthy: the *'trainers'*, the *'work injury prevention'* and the *'champions'*.

The mandate of the *'trainers'* groups is not only to provide operational training in their respective departments, but also to evaluate training needs. In total, there are 22 unionized employees from the different departments in the plant who act as trainers. Willingness does not make a trainer! Interested workers must apply for the positions offered in their department and it is only after a rigorous selection process based on criteria agreed to by both management and the union that a worker becomes a trainer. All the trainers work full time on this assignment during their mandate.

Prior to 1993, the company had a work safety problem. Accident rates were very high; in some departments, the rate was more than 100 (for 1,000,000 hours worked, 100 accidents were reported). The high costs related to health and safety were in part at the root of the profitability problem at that time. After the partnership agreement, the plant's health and safety committee set up groups of workers responsible for work injury prevention for the entire plant. Employees in *'work injury prevention'* groups are also responsible for promoting awareness of established safety rules and motivating their colleagues to follow these rules. They must not only inform workers, they must also listen to their needs in order to be able to prioritize work requests and follow up on corrective measures.

As for the *'champions'* groups, their mandate is to ensure continuing communication with the clients in order to satisfy them as much as possible. There are about ten *'champions'* groups in the plant. Each group is assigned one of the mill's major clients. It is responsible for following up on its client's orders; as a result, it must ensure that the client's requirements are met and that complaints and questions are dealt with properly. These groups may also be called upon to visit their client on a more or less regular basis in order to better understand the client's needs. The creation of these quality improvement groups has contributed to solving a major problem at the Alma mill, that of client dissatisfaction. Whereas in 1991 none of its 200 clients considered the mill to be its best supplier, five years later the situation had been turned around and more than 60 per cent of the mill's clients believed it was their best supplier.

The *'trainers'*, *'work injury prevention'* and *'champions'* groups indicate, each in its own way, the importance of worker involvement in the work environment. Even in the departments where the work organization remains more traditional, the level of involvement is without precedent. All in all more than 100 unionized workers, or almost 20 per cent of all unionized employees, are involved in work groups. The desire to be involved is therefore quite present and is growing within the plant. The scope of this trend towards involvement within the mill shows a real desire on the part of the workers to participate in the development of their work environment. However, this involvement is translated into limited forms of participation; in fact, participation in work groups is limited to secondary issues and entails selecting the best means of reaching objectives set by management or by the joint management committee that will be discussed below.

Functional Flexibility

The idea of trades flexibility was introduced in the 1990-1993 collective agreement. However, the first experiment in flexibility was introduced in 1988. At that time, the management and the union created unified trades by combining three of them: painters, masons and joiners. Later, there were additional groupings of various trades. In return, the employees received salary adjustments, promises of training and a guarantee that there would be no layoffs as a result of the introduction of flexibility.

The introduction of flexibility in the trades at the beginning of the 1990s certainly fostered greater mutual assistance and some decompartmentalization

of duties. However, it did not come with all the requalification that it was supposed to bring when it was started. The principle of respecting the original trade and the lack of adequate training are the main factors that contributed to slowing down the trend towards decompartmentalization of the trades. However, over the last few years flexibility in the trades seems to have picked up. In fact, the agreement on the introduction of the thermo-mechanical pulp shop includes a provision on setting up a multidisciplinary team in which everyone would be able to do the work in a multiskilled way, given adequate basic training.

In terms of flexibility, the increased co-operation between operators and tradesmen in the case of repairing minor equipment breakdowns represents a major breakthrough. However, this principle is not uniformly applied throughout the departments in the plant. In fact, this type of flexibility is more evident in departments where semi-autonomous groups exist. The fact that operators and tradesmen have received joint training in the new production process has certainly fostered this decompartmentalization. In the departments that have a more traditional type of work organization, operators and tradesmen clamour for respect for the borders between trades on the one hand and between maintenance and production on the other hand. In the paper machines department, the co-operation between tradesmen and operators is seen mainly when there are major problems; aside from those cases, respect for each worker's tasks and duties prevails.

In short, the introduction of flexibility has fostered some breaking down of the barriers between operations and maintenance, and also within trades groups. However, the main obstacle to the spread of functional flexibility is the lack of structured training.

Joint-Management Mechanisms

At the Alma paper mill, labour-management relations, characterized by partnership, have certainly fostered the introduction of organizational innovations and direct worker participation. The partnership is implemented mainly in a structure of joint committees (see Chart 1). The main component of the structure is the Joint Plant Management Committee. It includes the ten sector managers, the six members of the union executive and two representatives of the office staff union. It also includes the plant manager and the administrative assistant, who acts as participating secretary. The members of the committee meet every

week at a set time. The main responsibility of the Joint Plant Management Committee is to ensure that the plant survives and develops. To do so, it prepares a business plan that is submitted to headquarters management and it implements management's decisions. It also oversees the other components of the partnership structure. The committee sets up the various subcommittees and defines their mandates, it is therefore responsible for approving their proposals and monitoring their activities.

More and more the union is invited to participate actively in the management of the plant. However, the management and the union are aware that they represent fundamentally different interests. Therefore, before meeting they must define their roles as well as the main thrust of their contributions. Thus, they define the limits of the partnership. The broad lines of management's input are determined by the senior management committee, which includes all the senior managers. Concurrently, the union executives meet on the Executive Committee on a monthly basis.

There are union representatives in virtually all joint subcommittees. However, the ISO (International Organization Standardization) Committee, the Development and Continuous Improvement Committee and the Local Environment Committee include front-line union workers who work full-time on this assignment for the duration of their mandate. Participation in these committees is voluntary. The unionized workers on these committees are selected based on criteria established by the members of the Joint Plant Management Committee. Each one then receives training appropriate to his new responsibilities. Although they are not union representatives mandated by the members or the executive, these workers are to all intents and purposes worker representatives.

On the whole, whether they are union representatives or ordinary workers without a union mandate, the worker-members of the joint subcommittees participate, with management representatives, in the development, implementation and follow-up of the committee's activities. Their participation is limited to the implementation of the action plans and decisions made at a higher level, often by the Joint Plant Management Committee.

This committee is in fact the only body where strategic issues are discussed, especially those dealing with the survival and development of the plant. Union representatives are informed, even consulted, on these

issues, but they do not, per se, participate in the decision-making. Management sees this mechanism as an important advantage. Union participation at the level of strategic management is a better vehicle for informing union leaders; the information thus transmitted to their members fosters better worker buy-in on modernization projects. On the other hand, on operational issues (work organization, training, health and safety, etc.) the union has real power to influence decisions. In fact, any subject dealt with by the subcommittees in the partnership structure requires the approval of the members of the Joint Plant Management Committee. The union therefore has significant influence, especially since most of the joint participation mechanisms include members of the union executive. Still, the union representatives and the workers on the subcommittees have to consider the scope of the decisions and their impact on the day-to-day work in the plant. Too often the input of the union representatives focuses on the survival of the plant and job protection, and there is insufficient attention to daily work problems.

The New Negotiation Method

Not everything is solved at the Joint Plant Management Committee. The repercussions of major modernization projects and issues related to the negotiation and administration of the collective agreement are discussed by the "Bargaining Committee." For example, the recent negotiations on the impact of the introduction of the thermo-mechanical pulp shop were handled by this committee.

Since 1993, the parties have negotiated on an ongoing basis, using an interest-based approach. Everything that has to do with the non-monetary clauses in the collective agreement can be discussed from day to day. Therefore, rather than making demands in order to protect acquired rights against all comers, the parties try to define and analyze their common problems and solve them jointly in order to arrive at a satisfactory agreement, always in the spirit of respect for the other party's roles and interests.

The essence of interest-based bargaining is the joint search for solutions that are mutually satisfactory or "win-win." The method used is the problem-solving process. In this method, there is no management or union spokesperson; every person at the table can speak as an individual and all contributions are encouraged. Thus the traditional barrier between management and the union is blurred so that creative potential can be freely expressed.

In this case, the new bargaining method translates into a broadening of the bargaining issues, including work organization, the introduction of new technologies, as well as certain aspects of operational management of the mill, such as training needs. This new method of ongoing negotiation reflects the new climate of co-operation and trust between the parties. It thus differs from the traditional form of negotiation based on confrontation, power struggles and the total absence of trust between the parties.

New Conflict Resolution Method

Since 1993, there has been a new conflict resolution method in use at the Alma paper mill. Since it has been put into place, no grievances have been filed. However, it is important to point out that the absence of grievances does not mean the absence of disagreements or complaints. This situation, rather, is due to the implementation of a new procedure to resolve complaints. In fact, it is no longer necessary to formalize a complaint in writing and, in addition, solving disagreements has been decentralized to the departmental level and complaints are no longer recorded. Nowadays, the parties interact face to face rather than through third-party forums. Disagreements are resolved through discussions between the main parties involved. The new method of conflict resolution supports the union's participation in the management of the company in that it allows the union representatives to set aside the daily irritants and focus on the broad issues surrounding the development of the mill, which are deemed more important than "punch card and shoelace issues." But in so doing, the union representatives become distanced from their members.

It therefore becomes more difficult to measure the organizational climate with the usual indicators, especially since the parties have also agreed to waive their right to strike and lockout. However, a certain amount of discontent remains, but its source now lies in local union relations.

The Tensions and Pitfalls of Partnership

Joint management is a painstaking process that is in constant evolution. On the union side, the time requirements are excessively high. The union representatives are very much in demand; not only are they involved in many, if not most, of the joint committees (as shown in the attached organization chart), but the new ongoing negotiation process also requires a lot of time and energy. The main

consequence of the excessive workload on union representatives is their notable absence from the workplace. Many workers cry out against the fact that the union leaders are not visible to their members.

Employees also feel that their union representatives are too closely linked to local managers, especially on the Bargaining Committee. To those who are most critical, this closeness between managers and union leaders is unacceptable and shocking. Workers' concern about this rapprochement, even intimacy, between management and union leaders stems from the fear that their representatives will become unable to capture the two sides' diverging interests, which have traditionally been perceived as dichotomous. Participating in the decision-making process gives the union a share of the responsibility, especially when decisions have a negative effect on employee working conditions. Thus the danger is that the union will identify with management objectives at the expense of the members' interests. The most critical among the workers will say that their union has become simply a mouthpiece for management.

Other workers have also denounced the procedures for submitting and approving proposed agreements during union general meetings. In fact, the workers are presented with agreements that are cast in stone and for which there is no reasonable alternative. When it is time to vote and make a decision, they are under the impression that they face the only "common sense" solution. The agreements or package deals that have been presented to general meetings since 1993 have all been ratified by more than 80 per cent of members. The workers are up against the wall since all agreements must be accepted or rejected as a whole. Any suggested amendment by workers is systematically refuted by the union executive. In certain circumstances, the executive gets its back up when criticized by members. Instead of a place where workers could express themselves and make decisions, the union general meeting has become a place where information is transmitted about proposed changes and where agreements previously approved by the members of the Bargaining Committee are accepted.

Lastly, their involvement in the management of the plant and the priority given to plant survival and job protection mean that union representatives give a very low priority to the day-to-day problems of salaried employees at work. Whether it is an excessive workload or frequent changes of workstation, these problems represent major irritants to the salaried

workers, but the union leaders consider them a small price to pay to keep one's job. These insufficiently addressed irritants, which used to fuel and justify union activity, now contribute to weakening the legitimacy of the union in the eyes of the workers.

This dissatisfaction has manifested itself in two ways. On the one hand, there was a threat of disaffiliation in February 1995 that, although it had no major repercussions, nevertheless forced the union leaders to take note of the magnitude of worker dissatisfaction with the workings of the partnership. On the other hand, in January 1997, worker dissatisfaction led to the election of a new union president who insisted on getting closer to the members while maintaining the partnership. In addition, this change in the union leadership brought about the desertion of the two main architects of union participation in the management of the company.

Conclusion

The signing of the partnership agreement, which institutionalized the new co-operative union-management relations, not only formalized and legitimized union participation in the future of the plant, it also afforded an opportunity to encourage front-line worker participation, involvement, and accountability. In this case, the transformation of work relationships has given the union greater power to influence the decision-making process in areas not covered by the collective agreement that are usually the exclusive preserve of management. However, there is no joint decision-making process. Still, the joint committees are a forum for information exchange, consultation, and ongoing negotiation.

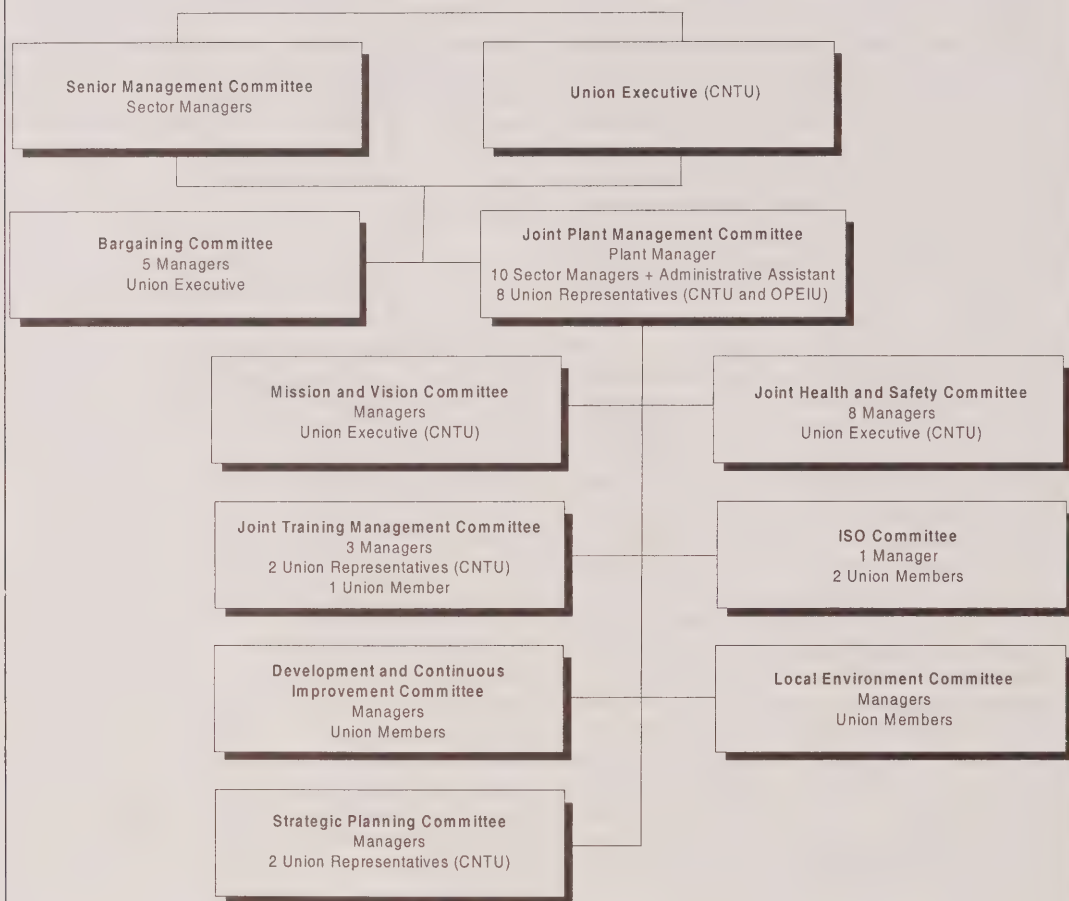
The partnership in the Alma plant has certain weaknesses that make the current experiment more fragile. We have seen that the source of the tensions likely lies in many factors. First, the distancing of the union leaders from their members as they become closer to management is a significant source of dissatisfaction for the workers. Moreover, the workers believe that the closeness between managers and union leaders is unacceptable and could weaken the union. The lack of a union viewpoint independent from that of management has helped intensify this perception. In fact, the workers are very concerned about whether their union representatives can reconcile, within the framework of the partnership, a rapprochement with plant management and the fundamentally divergent interests that characterized the traditional labour relations model. This questioning

is even more crucial in that the boundaries between the two parties have thinned considerably, even disappeared, since the advent of the partnership.

In summary, the tensions that lie at the heart of local union relations are a major factor in weakening the partnership that characterizes labour relations at the Alma paper mill. In the absence of broader

institutional support, partnership remains fragile and limited to the local level, thus hindering the spread of innovative experiments. In addition, with the increasingly decentralized nature of negotiations, the workers and their representatives tend to focus on their work environment; the disaffiliation threat is a symptom of this state of affairs.

Organization Chart of the Joint-Management Committees



CNTU: Confederation of National Trade Unions
OPEIU: Office and Professional Employees International Union

THE BREAKDOWN OF PARTICIPATION AND PARTNERSHIP AT CASCADES JONQUIÈRE INC.

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The Jonquière board mill, which began operating in 1962, was acquired by Cascades in 1984. At the time, the plant was in financial difficulties. Cascades undertook a reorganization, making major technological changes and shutting down part of the facility, the Kraft pulp operation. This led to a 40 per cent reduction in the workforce, which the union strenuously protested.

By 1995, the plant was producing close to 400 tonnes of paperboard a day and employed more than 200 people, including 170 unionized workers affiliated with the Confederation of National Trade Unions. The reorganization of work, specifically the establishment of problem-solving groups, ended in failure, as the salaried workers refused to participate. Negotiations did, however, result in greater work flexibility. Management also set up a work committee that aroused genuine interest from union members at first, but soon lost favour as the workers became disillusioned with it.

Labour relations, moreover, were extremely tense. The union demanded to participate in management, formulating a range of counterproposals regarding the organization of the work and the economic and financial management of the mill. However, management refused to allow the union to participate and attempted to circumvent it.

This case study¹ covers the period 1980 to 1995. It derives from intensive research conducted between 1992 and 1995. All the interviews were conducted during this period. A one-week session of direct observation in the workplace also took place in the spring of 1994.

Management Philosophy at Cascades

Cascades was founded in 1964 by the Lemaire brothers, with the acquisition of an old paper mill in the little village of Kingsey Falls. Its growth has been remarkable. By 1995, the company was the second-largest pulp and paper manufacturer in Quebec, employing 4,762 people in 45 plants.

Cascades Jonquière Inc. is distinguished by a unique management philosophy based, first, on administrative decentralization of the operational units. In other words, the mills are responsible for their own investment and financing. The second element of the management philosophy is sharing: profit-sharing, gifts of stock, reinvestment of profits in the mills that generate them, and maximization of benefits to the local community (thus there is no distribution

of dividends to stockholders). The third feature of the Cascades philosophy is respect: respect for the employees, respect for their expertise, and respect for the customers. Also fundamental for the Lemaire brothers are transparency and openness in relations with employees and with all other stakeholders. This is reflected in free access to information and regular meetings for all employees and their union, where applicable. Another fundamental element of the Cascades philosophy is a focus on listening and an "open door" policy. Management, including senior executives, is always available to hear workers' problems, complaints and suggestions. The Lemaire brothers' mills are also unusual because of the virtual absence of any hierarchical structure: the number of management employees is kept to a strict minimum, and the organization of work is based more on teamwork and on devolving responsibility to the

¹ This study was made possible by funding from Human Resources Development Canada, the Social Sciences and Humanities Research Council and the Fonds pour chercheurs et l'aide à la recherche (Fund for research Training and Research Assistance). This text is a summary of the research report: Lapointe, Paul-André, *Participation et partenariat à Cascades Jonquière inc. : impasse temporaire ou impossible partenariat*, cahiers CRISES, UQAM, No. 9604, 1996, 78 pp.

workers. Finally, the management philosophy is intended to maintain a positive working atmosphere and promote a high level of employee motivation. What happened to the Cascades management model at the Jonquière board mill? Is this a model that is conducive to organizational innovation and to partnership?

Reorganization of Work

There are two job categories for workers on a board machine. In the first category are automated unit operators, who are responsible for supervising the process (machine operator and assistant operator, and coating machine operator). The second category consists of the other positions involving the operation of mechanical equipment, which in some cases is simply manual operation, including spooling and packing the board (third to sixth hand positions, assigned to the spooling and packing stations and the position of labourer).

As shown in Table 1, the number of positions required to operate the board machine declined considerably, from 11 to six between 1982 and 1993. The unskilled jobs, those in the second category, were the ones that were cut, accounting for four of the five positions abolished, the fifth being that of foreman. These reductions can undoubtedly be explained by technological change, but are also due to the increased intensity of the work. One incident, unfortunately a tragic one, attests to a marked

increase in the workload. In early April 1992, a fatal accident occurred at the machine. A worker was crushed by a roll of board while he was adjusting the knives on the spooler. In his accident investigation report (1992: 23-24), the commissioner with the Commission de la santé et de la sécurité au travail (Workers Health and Safety Board) identified as one of the "real, underlying causes of the accident" the fact that:

"...the workers did not take the time to disengage the roll before lowering the elevator platform and restarting the spooler.... Production had been lost and the workers were in the habit of doing everything possible to make up delays."

The job qualification process has developed differently depending on the position. Automatic equipment operators have generally been requalified, in light of the increased complexity of the tasks involved in regulating the process and because of the new responsibilities they acquired with the abolition of the foreman position. For the other positions, however, such as those that involve handling the finished product, the skill level has essentially remained the same. Despite the introduction of a quality assurance program aimed at greater standardization of work methods and procedures, there has been no downward requalification of work. Production has become more complex with the addition of new quality and customer satisfaction parameters, increased environmental

Table 1

Number of Positions, Board Machine, including Packing

	1982	1993
Foreman	X	—
Machine Operator	X	X
Assistant Machine Operator	X	X
Coater Operator	X	X
Third Hand	X	X
Fourth Hand	X	X
Fifth Hand	X	—
Sixth Hand	X	—
Packer Operator	X	X
Assistant Packer Operator	X	—
Labourer Assigned to Wastage	X	—
TOTAL	11	6

requirements and the modernization of the machines. In addition, there are so many unpredictable situations that it is impossible to anticipate everything. Furthermore, the tools that are used to capture data and initiate operations are susceptible to malfunction, to the point where human vigilance is constantly required and operators are likely to be called upon at any time to intervene.

The recent evolution in the organization of work is also reflected in the elimination of first-level foremen. Some of their former responsibilities have been transferred to the machine operators, while others have been reassigned to those in technical management positions (in fact three newly created positions – two engineers and one production secretary). Responsibility for meeting the new requirements for quality and efficiency, brought about by customer demand as well as technological change, has been assumed by the workers in these new positions.

At the same time, the labourer positions on the machine were also eliminated. These workers did not receive the training that would have allowed them to fill the new positions and to take on responsibility for improving quality and efficiency. The recent changes in production call for specialized qualifications, on a far more abstract, intellectual level. However, the new duties are not in the main performed by production workers (with the exception of the position of machine operator), but rather are assigned to engineers, who

are now involved almost directly in the production process and no longer confined to technical support services.

The elimination of first-level foremen, furthermore, has not resulted in a lessening of management's control of the work and a proportional increase in the autonomy of the workers. With the flattening of the hierarchical pyramid, there has been a redeployment of the control structure (see Figure 1). The foremen have been replaced by technical managers, who intervene directly in the production process. Moreover, the nature of the control itself has changed. On the one hand, greater use is made of computers, which register the slightest variations in the process and all inputs, thereby giving management a far more effective, continual supervision tool. On the other hand, management is based in large measure on an internalization of the production objectives and on self-discipline, strongly maintained by the constant threat of closure. One worker described the situation in the following terms: "...people aren't fools either; when you're continually being told it's not profitable...you try to give a little bit more of yourself. That's what happens." Not only has the nature of control changed, but the level of control has increased, as is apparent from the increase in the ratio of management to workers, calculated on the basis of the total workforce: where there was one manager for 5.5 workers in 1982, the ratio had dropped to one manager to 4.7 workers 11 years later.

Figure 1

Organization Chart, Board Machine

<u>1982</u>	<u>1993</u>
Superintendent	Superintendent
	Operations Assistant
Foremen (5)	Process Engineer
	Operations Assistant
Workers (41.5)	Workers (25)

(The number of individuals is identified in parentheses, when more than 1.)

Despite appearances (abolition of the foreman position and the fact that plant jargon now constantly refers to a "work team" to designate workers on the same shift and in the same department) and despite the official documents produced in the course of the negotiated reorganizations (which use the word "teamwork"), there is no real teamwork, defined as a new form of work organization based on a degree of versatility and on the exercise of co-ordination and control by the workers themselves. On the one hand, the organization is still based on a hierarchical structure that places all the positions in an "ascending line," starting from the lowest (the one that is the least skilled, requires the least training, and is the most monotonous, the most physically demanding and the lowest paid) to the highest, which has the opposite characteristics. Advancement is on the basis of seniority. On the other hand, the machine operator is the one who now carries out some of the duties that were formerly incumbent on the foreman: he records absences, calls the workers back to work, if necessary, and assigns workers to positions. He is also responsible for making major decisions, in the absence of managers, or for referring decisions to them where necessary.

Work Interaction

There is, however, greater co-operation at work, even though there has always been co-operation, especially during malfunctions, which require everyone to work to remedy the situation as quickly as possible. The increased co-operation, however, is exercised within a hierarchy, even if it is a hierarchy whose shape has changed. The production of board is organized around three key positions, each of which is in a different department: inspector, machine operator and chief controller of pulp distribution. Formerly, communication among these three positions passed through the management level; today, the central communications position is that of machine operator, and co-operation occurs directly, from one department to another, between the workers who are the "lead hands" in each department.

In the area of maintenance, the traditional demarcations between trades have become considerably more flexible. On a repair site, one or two workers are now qualified to perform the necessary tasks, regardless of their original trade, whereas before the workers in different trades did their work in succession. While some worked, the others waited. There was reportedly a lot of down time. Now, the trades are gathered into two large families: mechanical

and electrical. In the electrical family, electrician and instrument technician have been combined into one trade: technician. The mechanical family comprises four different trades: automobile mechanic, maintenance mechanic, pipefitter and welder.

With the introduction of flexibility, two new configurations have appeared. Automobile mechanics can perform basic welding and plumbing tasks after a certain amount of training. In the case of the other three trades, each worker retains his basic trade, but acquires the knowledge necessary to perform elementary tasks in the other trades after receiving 40 hours of training per trade. In exchange for accepting this flexibility, the tradesmen have been given a guarantee that there will be no layoffs as a result of this reorganization.

Since the 1990 agreement on reorganization, the compartmentalization between production and maintenance has also been reviewed. It is understood that operations workers can now perform unskilled maintenance work and, where necessary, assist tradesmen. For example, in the course of our week of observation at the mill, a pump was repaired by a maintenance mechanic, assisted by a production worker and the chief controller of pulp distribution. They worked together for over an hour to unblock the pump.

Previously, in such a situation, the mechanic would merely have opened the pump and checked the condition of the mechanism. Had it been necessary to remove the pipes to make repairs, he would have asked the foreman to call for a pipefitter on overtime and, if the repair had been considered relatively major, he would have asked that another maintenance mechanic be called. If a production worker took it into his head to pick up tools to help in the repair, the mechanical workers would have filed a grievance. The current situation is quite different, and the production workers even have a toolbox in their control room so they can carry out minor repairs.

One other fundamental dimension of work organization, involvement in the work, has undergone a paradoxical evolution. The workers are undeniably involved in their work, in the sense that they spare no effort to achieve optimum results in terms of quality and efficiency. They also have little time to rest at work, given its intensity, and they are frequently called on to consult with each other to resolve quality problems, while the operators co-operate with the tradesmen to solve production problems.

However, far from developing pride in their work and finding fulfillment in their achievements, or even identifying with management and with the Lemaire brothers, the workers now have a very critical attitude towards Cascades management, to the point of bitterness. Involvement in work, according to one worker, can be explained by submission, fed by management's oft-repeated threats to shut down the mill.

"...if your job is at stake, you are forced, you are forced to get involved, it's our livelihood. If you no longer have a job in life, you're nothing in today's society. The way the guys react, it's submission, no more than that... The current situation in the mill is just submission."

Despite their maximum involvement in their work and the transparency of management practices, the workers refuse to participate in any direct method of improving production and quality. Management has tried in vain to introduce suggestion boxes and problem-solving committees.

Company Committee

The company committee was set up in January 1992, at the same time as the introduction of the ISO (International Organization for Standardization) 9002 program. No formal discussions or negotiations were held about the form of the company committee. Management chose a formula that was then introduced with the approval of the union. This committee was subsequently included in the preamble to the collective agreement, during the summer 1993 negotiations, as a result of a compromise reached in the face of union demands for a much greater degree of participation. The committee's composition and objectives nonetheless remained the same, apart from the fact that the presence of a union representative is explicitly mentioned. In the document setting up the company committee, which was prepared by management and not signed by the union, the objectives are set out as follows:

- to create a spirit of teamwork and co-operation;
- to generate interest among the employees by making use of their knowledge and experience in solving problems that concern them directly;
- to discuss major problems, related specifically to operations, and attempt to find solutions;
- to discuss planned investments and their relevance in light of established priorities;
- to discuss trends in orders, complaints from customers and the application of corrective measures;
- to inform the workers fully about the company's financial situation, its progress and its management.

Further, the document states that the committee, to be chaired by the mill manager, "will be composed of employees from the mill and office departments, and representatives of management," adding that "resource persons may attend meetings of the committee as required."

In practice, the committee consists of an equal number of managers and employees. On the management side, there is the mill manager, the director of human resources, the comptroller and two superintendents. On the employee side, there is one representative of each department in the mill (maintenance, machinery and pulp preparation), one office employee and one union representative of the mill workers.

The procedure for appointing members is not yet set out as it is interpreted differently by union and management, revealing an ambiguity regarding the role of the union. Management, for its part, maintains that the employees in each department choose their representative informally. The union side claims that the union executive, with the agreement of the workers in each department, chooses a representative. Interviews confirm the union point of view, as all the workers on the company committee who were interviewed, confirmed that they were approached by the union executive.

A major divergence of opinion is apparent with regard to the role of the company committee. Management would like to turn it into a communications vehicle, while the union would like to make it a mechanism for co-management. In fact, management steers the company committee in accordance with its own objectives. Although the committee's composition reflects management and workers equally, in formal terms, little room is left for the union. The committee is used for improving production methods and is primarily a vehicle for conveying messages from management. It is, in effect, the communications channel that enables management to make the

workers aware of the mill's financial and economic situation and of problems with quality and efficiency, and to inform them of management's plans and achievements. This communication of information has two aims: first, to change the workers' attitudes and behaviour towards their work, so that they will work more and better to ensure the survival of the mill, and to persuade them to accept the concessions demanded; and second, to improve the workers' opinion of management.

Over a period of three years and 32 meetings of the company committee, only 70 improvements have been proposed by the workers. The workers participated more actively during the first half of the committee's existence but then became disheartened because they found they were not able to participate in the decisions and direction taken by management.

Labour Relations Conflicts

In the area of labour relations, management has adopted a strategy of using force and ultimatums based on shutdown threats, whereas the union has proposed the introduction of a form of partnership. This is evident from the following incidents:

- In November 1991, the Kraft division was shut down, accompanied by the layoff of 130 employees.

Management made the announcement in a brutal fashion, rejecting union proposals for reorganization aimed at avoiding the shutdown, and criticizing the workers' behaviour in a very severe and unjustified manner.

- In May 1992, 12-hour shifts were introduced, following negotiations in the context of reopening the contract. These negotiations took place under the threat of closing the mill, which seemed very real in view of the closure of the Kraft division six months earlier.

Only 53 per cent of the workers agreed to this new schedule. Its introduction, which resulted in the disappearance of the relief shift, brought about an increase in average working hours from 37½ to 42 per week. This is the equivalent of an 11.2 per cent reduction in the workforce with no reduction in the amount of work, at a time when management had just carried out substantial layoffs.

- In fall 1994, management refused to involve the union in the process of reopening the Kraft Division.

All indications were that management wanted to let the period expire during which the laid-off workers were entitled to be recalled after the shutdown, so as to be able to hire without abiding by the seniority list.

The union was well aware of the impact of the management decisions, especially with regard to the shutdown and reopening of the Kraft Division. It made counterproposals designed to preserve jobs while reorganizing the work and making changes to both operational and strategic management. In 1991, after the shutdown of the Kraft Division and following a survey of its members, the union developed a number of different proposals for reorganizing the work. These proposals involved a reduction in the number of workstations, a flattening of the hierarchical structure, the assumption of responsibility by the workers and the introduction of teamwork. The union proposed a form of co-management, based on the establishment of a company committee composed of equal numbers of union and management representatives that would be responsible for some of the operational as well as strategic decisions. It also designed a program of financial participation by the workers, which would assist in the plant's recovery and give workers a percentage of the stock. All these proposals were discussed and accepted, virtually unanimously, by the members. When they were submitted to management, however, both at the local and senior executive levels, they were for all practical purposes rejected and the union was shut out of the issue.

During the negotiations for the renewal of the collective agreement in 1993, the union demanded greater participation. It initially wanted priority to be given to "the involvement of the workers in the decision-making process in their workplace" and with this goal in mind, the creation of "mutually accepted structures of participation." The union requested the introduction of "any appropriate mechanism to manage change in the organization of work in order to anticipate changes and introduce them in an orderly, gradual manner." Lastly, it proposed that ongoing negotiations be instituted, with the option of amending the collective agreement throughout its life. This last demand was accepted, but negotiations with management considerably reduced the scope of the first two demands.

The principle of involvement was recognized, with the stipulation that "human resources at all levels must become actively and constructively involved in the decision-making process." No mechanisms were instituted to achieve this, however, apart from a

recognition of the company committee in its existing form. Moreover, no clause was added regarding the pursuit of aims common to both parties, as is often the case in collective agreements signed against the backdrop of establishing a partnership. Lastly, the traditional clause regarding the rights of management remained intact.

In short, between the union's demands and the negotiated wording of the agreement, there is a major difference in the degree and the purposes of participation. The participation implied in the union's demands has to do with management – participation in decision-making – and involves the organization of work. As set out in the wording of the agreement, it involves improvements to production techniques and work methods and is restricted to suggestions and discussions, with management retaining exclusive decision-making authority.

Work Reorganization Results

After 12 years of Cascades management and a reorganization in late 1991, the results both speak for themselves and are disappointing for the Jonqui re board mill. The mill really has been modernized in technological terms and now has one of the most up-to-date multi-layer board machines in North America. The board machine achieves record production, on the order of 400 tonnes per day. Productivity is up considerably: between 1985 and 1995, it increased from 0.78 to 2.53 tonnes per day per employee, and it has doubled since 1991. The scale of the technological changes – attested to by the scale of investment, which amounted to almost \$90 million over the period –largely explains these results. The workers, however, have seen their work intensify significantly. Production efficiency, which measures the quality of the product and the efficiency of the operation, has also improved significantly, and over a shorter period, rising from 66.9 to 71.8 per cent between 1992 and 1995. In addition, the number and cost of complaints has dropped. Complaints expressed as a percentage of sales, dropped from 2.33 to 0.97 per cent between 1993 and 1995. The mill became profitable in late 1995. Profits, however, are small, held back by two external factors: the price of Kraft pulp and the debt load, which was again charged to the mill in summer 1995.

The workers have made a major contribution to these productivity gains through the intensification of their work. The cuts to the workforce, moreover, have been drastic. Between 1985 and 1995, the number of

employees dropped from 396 to 213, a reduction of almost 50 per cent. The extension of working hours has done nothing to improve matters. The working climate and working conditions in the mill have deteriorated. Management has instituted changes to work organization without really involving the workers and the union. The only form of participation that has been instituted is the company committee, whose mandate and method of operation have given rise to sharp criticism from the workers and the union. As far as labour relations are concerned, there have been no genuine, major changes in traditional relations, apart from a massive shift in the power structure in management's favour.

Failure of Workers Participation

The rejection of direct participation and the virtual failure of participation in the company committee reveal the decisive importance of several factors that can promote or hamper such participation: how it is introduced, the nature of the participation, the nature of the labour relations and the climate of uncertainty. Participation is difficult to implement when it is introduced from above and by management alone. In order to work, the process requires participatory methods of introduction with the involvement of workers and their union. The workers' participation, moreover, soon reaches its natural limits when it is restricted to formulating suggestions. It rapidly becomes depleted if workers are not given the opportunity to acquire real power. After a while, the workers' participation in the company committee became minimal, once they realized that they had no control or power over implementing their suggestions. Although their suggestions were occasionally taken into consideration, the workers were most often confronted with decisions that had already been made.

In addition, there is an inherent contradiction between the type of relations that the players had established and that are required by participation in such a company committee. Labour relations are by nature conflict-oriented, since they are based on confrontation; the parties accordingly have no qualms about brandishing threats and making negative comments to each other. On the company committee, however, the aim is to establish relations based on partnership; co-operation and collaboration on everyone's part are desired with a view to improving the performance of the mill. This contradiction has considerable impact on the credibility of any proposals for participation, both in the company committee and in the structure of the company in general. A change

in labour relations would seem to be a prerequisite to the introduction of participation, if the parties are looking for lasting success.

Finally, the general atmosphere of uncertainty has a tendency to inhibit participation. It would appear that uncertainty alone is not sufficient to generate participation; on the contrary, when the uncertainty is too marked, it generates a feeling of discouragement, demoralization and "submission." While uncertainty may undoubtedly play a role as a trigger to make people aware of the need to act differently, it does not necessarily generate participation; it must be accompanied by certain guarantees of security. These guarantees are of two types: on the one hand, in the uncertain economic climate that threatens the survival of the company, firm commitments to the workers are necessary to the effect that every effort will be made and every solution will be considered before any thought whatever is given to layoffs or to closing the mill. There must, on the other hand, be guarantees to the effect that productivity gains achieved as a result of the workers' efforts will not result in layoffs or in a lengthening of the recall list.

Decentralization

Similarly, the principle of decentralization, under which each mill is responsible for its own financial position, investment and financing, plays a variable role, depending on the mill's financial position. When a mill is profitable over the long-term, decentralization has a positive impact: it is conducive to the reinvestment of the profits generated by the plant and makes it possible to enhance productivity, quality and efficiency in order to strengthen the mill's capability to weather difficult periods. On the other hand, in the case of old mills in a deficit position, this principle obliges them to go into debt to the banks in order to modernize and survive.

When a crisis develops, when prices are lower, an enormous effort has to be made, which may well exceed the mill's capability. The debt load becomes so heavy that it seriously jeopardizes the mill's financial position and survival, even when prosperity returns and prices are again at their peak. This situation seriously affects the morale of the workers and gives them the impression that the mill will never be profitable, whatever they do. Is there not a way to lighten the debt burden, by having the corporate headquarters take on a greater share of responsibility? This is the case in more traditional companies, where the mills are treated as cost

centres and not as profit centres. There is an inherent lack of fairness in the concept of making the workers shoulder the weight of debt generated as a result of the modernization of the mill. It means considering the workers responsible for the obsolete state of their mill, while the new owners have in fact been compensated for this obsolescence through the price at which they acquired the assets.

Economic transparency

Economic transparency, another major feature of the Cascades philosophy, appears to be a complex phenomenon whose impact was not originally foreseen. For management, it constitutes a way of encouraging the workers to exercise self-discipline and to make concessions in light of the precarious situation of the mill, as revealed by the significant losses shown in the financial statements. Excessive use of this "encouragement," however, dissipates its impact: ultimately, the workers no longer believe the messages of doom and begin to doubt the messenger's credibility. For the union, economic transparency, regarded as a new entitlement, is a way of obtaining vital information with a view to preparing counterproposals about management and strategic development. In revealing its financial statements, however, management exposes its decisions and strategies to critical scrutiny, and its decisions become central in any discussion regarding the mill's survival and development.

The mere fact that such a discussion takes place at all is itself a good sign; it even constitutes a degree of democratization, as well as an incentive to managers to assess more carefully the impact of their decisions on the workers and on the future of the mill. Up to now, however, this discussion has not really been an opportunity to engage all the players in finding more appropriate solutions and mobilizing all energies to achieve them. Instead, it tends to take the form of a confrontation, without any real discussion of the arguments or any genuine co-operation. The argument of force still takes precedence over the force of the arguments. This situation can be explained in part by the fact that the union is not recognized as a full partner. The union reacts by focusing on its criticisms and by questioning the credibility and relevance of management's strategic decisions. The plan to reopen the Kraft Division of the mill is revealing in this regard. The offer of financial participation on the part of the union, based on a well-prepared brief and the commitment of all its members, was not really taken seriously by management.

The place and the role of the union in the company, whether on the company committee or elsewhere (with regard to the quality assurance program, the relaunch of the Kraft Division or any other issue), took on the appearance of a key issue. While the union was unfolding a proactive strategy with its counterproposals and was displaying a desire to participate in the decision-making process, all the while aware of the constraints of efficiency and profitability, management was rejecting the proposals for union participation.

Partnership Conflicts

Management, for its part, is not adamantly anti-union: it is prepared to accept the union, albeit with the proviso that the union acquiesce in management's plans rather than oppose them. Management would like to see the union restricted to the traditional role of acting in defence of the workers' pay and working conditions. Management thinks the union should be revamped to take into account the unique situation of the mill, so that the union's demands would be adjusted accordingly and the necessary concessions accepted as required. But even revamped, the union would leave to management exclusive decision-making power regarding the organization of work and the management of the mill, in accordance with the traditional framework of labour relations.

The union does not accept the role management would like to give it. The serious consequences that management's decisions have on its members, in terms of job losses and an increase in workload, prompt it to intervene in an attempt to find more appropriate solutions and to contribute to obtaining better results. It would thus like to extend the scope of its action in the area of the organization of work and the management of the company. Management rejects this. This refusal is based partly on a misconception of union activity. Management still views union activity as consisting of 1970s-style warfare, where the union aims to obtain, through

confrontational strategies, the maximum for its members in the short-term, completely oblivious to the situation of the mill, however precarious it may be. Management is incapable of measuring the evolution that has taken place inside the union and regarding it as a credible partner.

This conflict over the role of the union is continued on another battlefield, that of legitimacy. Management adopts practices that may be interpreted as an attack on the legitimacy of the union. In its attempts to introduce forms of participation, such as suggestion boxes and problem-solving committees, it appeals directly to the employees, without involving the union. Within the company committee, it tries to speak directly to the workers and refuses to acknowledge the strategic role played on the committee by the union, specifically in choosing members who want to participate. This is a major irritant that poisons the atmosphere. In order to demonstrate its legitimacy, the union tries to control the workers' participation in the company committee. It intervenes, against the wishes of management, in the economic and financial management of the company by questioning the rationale for management decisions and strategies. All this results in a questioning of management's legitimacy. The union and management sides thus find themselves engaged in a war of legitimacies, in which each side asserts its own legitimacy while disputing that of the other.

Recognition of the legitimacy of the other side constitutes an essential precondition to establishing a genuine partnership. Such a partnership would consolidate and strengthen the efficiency and quality acquired at the cost of so much effort. What will happen in the absence of a true partnership? Will efficiency and quality reach a ceiling or even decline because of exhaustion and disinterest on the part of the human resources, a trend that is unfortunately already becoming apparent?

WORK REORGANIZATION AT THE SCOTT-KRUGER PLANT IN CRABTREE, QUEBEC, 1992-1997¹

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This is a case study of an experiment in work reorganization conducted at a paper plant in Crabtree, Quebec, over the period 1992-1997. The experiment continued throughout the period despite the large reduction in production costs imposed in 1994 by the management of the multinational which owned the plant, Scott Paper Ltd. This rationalization was followed, in 1995, by the sale of the company's assets to Scott's leading global competitor, Kimberly-Clark, which in turn sold Scott's three former Canadian plants (in Crabtree, Hull and Vancouver) to Kruger Inc. in 1997. Kruger's headquarters are in Quebec.

The analysis concerns the conditions that were conducive to union involvement in the work reorganization; the implementation process; the difficulties encountered; the main organizational changes; and the factors that enabled union involvement to continue throughout the period. The information was drawn on a variety of management and union documents as well as collective agreements and letters of agreement between the parties over the past ten years. Further knowledge was gathered during interviews conducted in 1994 and 1995 with two management representatives and nine union representatives; interviews with two of the union representatives were updated in early 1997.

Characteristics of the Crabtree Plant

The Crabtree plant went into operation in the 1930s. It belonged to Scott Paper Ltd. until Scott's assets were acquired by Kimberly-Clark in 1995. In 1997, Kimberly-Clark sold the right to use its trademarks as well as the three former Scott Canada plants (in Crabtree, Hull and Vancouver) to Kruger Inc., a Canadian paper producer. In early 1997, the Crabtree plant employed 534 blue-collar workers, who were represented by a single union affiliated with the Confederation of National Trade Unions' Fédération des travailleurs et travailleuses du papier et de la forêt (federation of paper and forest workers).

The Crabtree plant produces wrapping tissue, which is then processed into toilet paper and paper towels. Average production in 1996 was about 175 tonnes per day. To compare this output with that of other firms in the pulp and paper sector, it is important to bear in mind that wrapping tissue is lighter than newsprint or

fine paper. According to information provided by representatives of the employer, productivity at Crabtree compares favourably with productivity at other plants producing wrapping tissue in Canada, and the quality index of Crabtree products is over 95 per cent.

Production at Crabtree is divided into four areas. The first includes raw materials processing, technical control, pulp preparation and water purification. The technology used to process the secondary fibres, installed in the early 1990s, is state-of-the-art, however, the technology used to prepare the pulp is old and, according to some of the union representatives interviewed in 1994 and 1995, obsolete. The second area contains the paper machines where the tissue is manufactured. Some of the machines date back to the 1930s; generally speaking, there has not been much investment in this sector in recent years. In the

¹ This study has been assisted by a grant from the Humanities and Social Sciences Council of Canada for research on the experiments involving union participation in managing work organization conducted by Confederation of National Trade Unions and affiliated unions.

third area, finishing, the tissue is processed into the company's various products (toilet paper, paper towels). The finishing department has the latest technology. The fourth and final area is shipping, where operations were computerized in the early 1990s.

The plant's financial performance has improved continuously over the past ten years. The only deficit can be attributed to the cost of a special early retirement plan introduced in 1994. Crabtree products are mainly sold in eastern Canada (Ontario, Quebec and the Atlantic provinces); less than a quarter of the plant's production is exported to the United States. Scott's products are leaders in the Canadian market, with about 40 per cent of the household paper market. Their main Canadian and United States competition comes from Kimberly-Clark, James River and Irving.

The union and management representatives interviewed for this study think labour relations and communication between the two parties are good. There have been no labour conflicts at the Crabtree plant over the past 20 years. The annual number of grievances has declined from 13 in 1990 to four in 1996, and no grievance has gone to arbitration for the past 30 years. Collective bargaining over the past decade has led to agreements concluded without open conflict or pressure tactics, except in 1990 when management's so-called final offer was rejected by 92 per cent of the union members. However, an agreement amending the offer was ratified by 76 per cent of the members present at a union meeting. Between bargaining rounds to renew the collective agreement, the parties use a form of continuous bargaining, and this has produced numerous letters of agreement on specific matters since the early 1990s.

Strategic Choices

According to the union and management representatives interviewed in 1994 and 1995, the main factors that led the parties to embark on joint management of work organization in 1992 were the plant's deteriorating competitiveness, a desire to save jobs by improving efficiency and productivity, and (in the case of a majority of the union representatives) a wish to participate in decision-making regarding work organization. Most of the union representatives believe that the changes in work organization were necessary, and that their main objectives were achieved without the employer having to resort to layoffs.

The Crabtree plant has been affected by several strategic decisions made by the various management groups that have been running the firm in recent years. In 1994, for example, Scott Paper Ltd. announced a three-year restructuring plan involving a 25 per cent reduction in staff employed at all its plants (over 8,000 employees worldwide). A few months later, there was a new president and the restructuring deadline was reduced to three months instead of three years. Then, just before the assets were sold to Kimberly-Clark in 1995, Scott Canada concentrated the manufacturing of products for commercial use at the Hull plant, which resulted in positions being cut and one department being shut down at the Crabtree plant. At the time of the 1994 restructuring, management also decided to abandon production of disposable diapers, which resulted in the permanent closure of a department which had already seen significant staff reductions in 1991 and 1992.

Strategic decisions regarding technological modernization at the Crabtree plant were mentioned briefly in the previous section. Analysis of relevant information suggests that some departments, notably finishing, have seen significant investment in machinery acquisition, and this has maintained the competitiveness of products made at the plant. However, the paper machine and pulp departments have not had major new investments; they are still operating with technologies and equipment which have not been modernized for the past ten years.

Since 1992, strategic decisions that pertain to human resources have been less important than those pertaining to technology, because labour and management have maintained good working relations at the Crabtree plant over the past 20 years. For many years now, a union representative has been released on a full-time basis to serve as health and safety officer, and both sides are pleased with their joint efforts in this area. Scott senior management has always enjoyed good relations with its unions, and many of the company's North American plants have been the scene of joint union-management experiments over the past ten years. Also, Scott organizes an annual meeting in Chicago where union and management representatives from each plant in the United States and Canada are asked to report on innovations in labour relations. According to the union and management representatives interviewed in 1994 and 1995, Scott senior managers have always supported co-operative experiments at the company's plants, and during the preliminary meetings before

the current experiment began in 1992, they encouraged managers and employees at Crabtree to adopt participatory management practices.

Process of Organizational Change

After two decades of harmonious labour relations at the Crabtree plant, union and management representatives embarked on a co-operative experiment in work organization in the early 1990s. According to the union representatives interviewed in 1994 and 1995, the union local was influenced by positions taken by the Confederation of National Trade Unions at its congresses in 1990 and 1992. It should be noted that the parties initiated their experiment before Scott Paper management imposed negotiations, in 1994, at all of its North American plants in order to carry out its worldwide restructuring plan. Union and management representatives at Crabtree began discussions in 1992, and an agreement was reached in January 1993. The agreement provided for union-management co-operation through a joint committee, but no specific or quantifiable objective was included and no deadline was set. The agreement also stated that no change would be made in work organization without prior agreement between the parties. This allowed the parties to gradually set up support structures for experimentation with new forms of work organization.

In April 1993, union and management representatives visited two Scott plants in the United States to gather information on existing cooperative experiments in work organization. In July, these same representatives attended the annual meeting in Chicago. In August, members of the joint committee attended a conference on employee empowerment in Montréal. They then initiated a process to select a consultant to assist them in implementing a work reorganization program. After meetings with management and union representatives at three locations where experiments had been under way for several months, in September, the committee hired an outside consultant specializing in organizational development. In December, the consultant led a consultation process involving managers and employees at Crabtree in order to make an organizational diagnosis and develop a plan of action to improve efficiency and productivity.

In January 1994, the situation changed radically when Scott Paper management introduced a three-year restructuring plan that involved a 25 per cent reduction in staff worldwide. At first, the Canadian

plants were not included, because Scott Canada had reduced its staff by 15 per cent over the previous three years, but in February, Scott Paper imposed cost reductions of \$150 a tonne, and the Anderson firm was hired to prepare an action plan to achieve this objective. The co-operative process at Crabtree was interrupted pending the results of the Anderson evaluation. Following a restructuring agreement between union and management in November 1994, the activities of the joint committee resumed.

A further important strategic change occurred in April 1994, when a new president was appointed at Scott Paper. Each plant was asked to present its cost reduction plan within three months. The Canadian plants thought they were excluded, but in August they were told that they too had three months to submit their plan. The measures proposed by Scott Canada to reduce production costs and increase operating revenues involved rationalizing operations at plants in eastern Canada, reducing staff, and reorganizing work at all plants to improve production efficiency.

Management at Crabtree proposed cutting 155 jobs, 125 of which were filled by unionized employees. The union reacted quickly, and at a general meeting two days after the meeting with management, it received a mandate to negotiate a restructuring plan that would limit job losses. Several solutions aimed at minimizing job losses were suggested by the union leadership and ratified by the members: a special early retirement program, abolition of overtime, work sharing, a reduced work week and leave without pay.

Negotiations on cost reductions took place between August 29 and November 30, 1994. During this period, the local at Crabtree kept up its contacts with the locals at the other Scott plants in Canada in order to co-ordinate demands. The list of conditions for union participation in the restructuring process, submitted to Scott Canada, and agreed on by all locals, included voluntary early retirement between age 55 and 65, with an incentive bonus of \$500 per month and continued group insurance benefits at the employer's expense; severance pay for employees under 55 equivalent to two weeks' salary per year of service plus a separation incentive based on seniority; and the opportunity for employees to reduce their work week by four hours.

Once management had accepted the conditions for union participation in discussions on restructuring, an agreement was reached. The agreement, reached on November 30, 1994, included the following measures

to reduce the impact of staff reductions: early retirement beginning at age 55 without actuarial penalty, a four-day work week followed by two days off for departments still operating on a five-day week schedule; voluntary part-time work in order to share jobs; and employee turnover arising from voluntary departures to be governed by seniority at the plant. Union members at Crabtree also accepted a pay reduction of 1.75 per cent between December 1, 1994, and April 30, 1995, as well as suspension of the pay increase of 1.75 per cent specified in the collective agreement for May 1, 1995, until such time as the additional funds spent by the employer on the early retirement plan were covered.

A union-management steering committee coordinated the implementation of the changes in work organization. The committee, created by the 1993 letter of agreement on cooperation, consisted of three union and three management representatives. Its general mandate under the 1993 agreement was to identify the main problems in work organization and develop solutions that might improve competitiveness and long-term growth at Crabtree. The committee co-ordinated the work reorganization flowing from the restructuring plan agreement negotiated by the union executive in 1994 with Scott Canada. (The restructuring did not change the 1993 letter of agreement.) A new letter of agreement on work reorganization was incorporated in the collective agreement in 1996. This provides for a joint committee whose roles are essentially the same as those specified in the 1993 agreement, and sets out principles and common values that confirm the role of the union in managing work organization. The letter also establishes a minimum number of employees in each department, as negotiated in the 1994 restructuring agreement.

Other joint committees were created following the 1994 restructuring plan. Six departmental committees were set up in late 1994 to implement the decisions of the steering committee. They were made up of representatives of management, the union and the workers in the departments concerned. While their mandate was to operationalize the restructuring measures proposed by the steering committee, they had latitude to make changes in the committee's plan to take into account specific needs identified in each department. Other ad hoc committees were also formed, with mandates to solve individual problems; these were abolished once their work was done. Three committees: Sludge Transport, Warehouse

Organization and Quality developed action plans on specific problems, plans which were then carried through by the steering committee.

Organizational Changes

The changes at Crabtree since 1993 mostly concern work schedules, work organization, human resources management and industrial relations. The work schedule changes introduced in 1994 sought to limit the number of layoffs caused by the restructuring plan. The introduction of a four-day work week followed by two days off was not an innovation, since many departments were already operating on this schedule, but it did open the door to a reduced work week for employees in the departments concerned and it reduced the number of job losses associated with the restructuring.

Between 1992 and 1997, major changes in work organization were introduced at Crabtree. In the finishing area, job classifications were merged in order to increase workers' versatility, and the workers were now qualified to perform every job in the department. The biggest change was in case loading, a job that was radically transformed in 1993 with the introduction of new equipment which meant that the operator was now responsible for the entire machine. In 1995, semi-autonomous work groups were created in the finishing department, which accounts for about 50 per cent of the plant's employees. In the warehouse, billing had previously been done by the foremen but was now done by the shippers. Furthermore, all employees in this department now had an additional task: the position of stock handler had been abolished, so now everyone had to drive the forklifts when necessary. Minor changes in the paper machine area simplified employees' tasks, but this reduction in workload was offset by the job of handling the rolls of paper. The number of foremen was reduced as of 1994, and their role was changed to that of resource person. There was no major change with regard to the flexibility of skilled trades employees, according to the union and management representatives interviewed, but it should be noted that they are more versatile than at most other pulp and paper plants in Quebec.

Human resources management practices were also changed pursuant to the 1994 restructuring plan. Starting that year, annual training hours were increased and two types of training were provided under the work reorganization. First, there was training related to the reorganization itself, such as training in financial

analysis for the union executive, and training in problem-solving for members of the steering committee and the departmental committees. Second, many employees needed technical training as a result of the changes in certain jobs as well as employee turnover. Most of this training was given at the plant, but for some specialized tasks it was given externally, because equipment or trainers were not available in-house.

With regard to labour relations, the period 1992-1997 was characterized by an improvement in the already harmonious union-management relations that had existed for many years. Representatives of both parties interviewed in 1994 and 1995 stated that during the 1980s there were no special problems in applying the collective agreement, and that grievances were few in number and were resolved without arbitration. The changes of the 1990s led to greater co-operation between the parties and a change in the approach to collective bargaining. Joint management of work organization, initiated in 1992, has continued to this day and was formally recognized in the 1996 collective agreement. Since the early 1990s, the parties have used continuous bargaining, and when the collective agreement comes up for renewal, they use a less confrontational approach. Thus in 1996, an agreement was concluded in less than ten bargaining sessions, and the union members accepted a five-year agreement. The three previous rounds of negotiations had required 20 sessions, and no more than a three-year agreement had been negotiated. These changes in collective bargaining, and in work organization, were doubtless connected with the difficult economic context and the insecurity arising from the sale of the plant.

Results

Financial Outcomes

The main financial outcome of the work reorganization at Crabtree has been a significant drop in production costs since 1994. This is attributable to an increase in mean daily production, despite reduced annual working hours since the restructuring plan was implemented in 1994.

Production Efficiency and Product Quality

The work reorganization has increased production efficiency for several reasons: improved teamwork, reorganization of the warehouse, less loss of time, and better equipment. According to the union

representatives interviewed in 1997, production capacity had increased by 30 per cent, to 125 tonnes a day, and shipping efficiency had increased 20 per cent in 1994 and 1995. In August 1997, productive capacity had risen again, this time to 175 tonnes per day, resulting in a daily production increase of more than 70 per cent since 1994.

With respect to quality, it is hard to make any definite statement because workers in the various departments have been doing quality control for less than three years. According to the union representatives interviewed in 1997, quality declined after the disappearance of the quality control department, but then returned to previous or even higher levels as a result of worker training.

The union representatives also think that the quality of the equipment, and its maintenance, have improved since the 1994 restructuring. They say the operators have gained a better technical knowledge of the machines, so that they can detect defects and notify the maintenance staff, engineers and other operators, thus reducing the frequency of production stoppages. New equipment has also made it possible to improve machine performance; an example would be the purchase of pneumatic tools to help change the polythene rolls during finishing. However, it seems that the reduction in the number of maintenance employees since 1994 has had a negative effect on preventive maintenance, and this has, in part, cancelled out the productivity gains resulting from the broader range of tasks performed by operators.

Organizational Outcomes

As regards unionization, the average monthly number of dues-paying members dropped from 522 in 1990 to 482 in 1995 but then rose back up to 534 in January 1997. The 1994 restructuring had little effect on employment levels at the plant because the four-day/two-day work schedule combined with the reduced work week and work sharing meant that the average monthly number of unionized employees declined from the 1994 level by only about twenty in 1995 and 1996.

There were no significant changes in union-management relations at Crabtree following the work reorganization that began in 1993, because the parties had had a co-operative approach for many years. However, the work reorganization did increase the frequency of union-management meetings so that progress on various issues could be better monitored.

The negotiations related to the restructuring plan in 1994 demonstrated the union's dynamic leadership to Scott Canada's head office. Also, the Crabtree local played an important role within the group representing the unions at all Scott plants in Canada. The group met with Scott Canada senior management on two occasions to negotiate the conditions for discussions on the 1994 restructuring plan.

There were no major changes in the collective bargaining process after 1992, because union and management already co-operated and communicated with each other. However, union demands were better defined, and the parties were more forthright in the information they exchanged during the 1996 negotiations. The union representatives do think it is still necessary to maintain a power relationship vis-à-vis the employer, and they believe the union leadership can get the membership to reject unsatisfactory management offers at a general meeting, as happened in 1990.

Employee Outcomes

For many of the workers, job content has changed over the past five years: jobs have been enriched or the range of tasks to be performed has been broadened. The result is multi-skilling and greater responsibility for the workers in finishing, and greater versatility for the skilled tradesmen in the maintenance department. Technological changes have also changed the duties of some workers. Workloads have grown, mainly in finishing and in maintenance. Qualifications for most jobs have risen, resulting in longer training period for new employees, and in many cases, supplementary training for older employees.

The workers have become more involved in the routine management of operations since work reorganization was implemented in 1993. They are more involved in decisions concerning the organization and execution of their work. Also, about 60 employees sit on standing joint committees, and most employees participated in meetings about work reorganization that were arranged in 1995 by the departmental committees to inform them about the steering committee's projects and to receive their suggestions. The work reorganization has increased individual responsibilities, according to the union representatives interviewed in 1997, who also thought that workers are now more often consulted by foremen, and more often help each other.

With respect to worker satisfaction and motivation following the work reorganization, the interviews with union representatives in 1997 revealed that the workers are happy to have kept their jobs during the 1994 restructuring: originally 125 positions were to be cut, but this was reduced to about ten and there were no layoffs. The workers also feel that their expertise is better recognized and they are consulted more often, which increases their motivation and fulfilment. Job enrichment has increased satisfaction for many workers, especially the case loaders, who used to do repetitive work and are now operators with increased responsibilities. Some changes, however, have led to dissatisfaction, notably the switch from a five-day/zero-day to a four-day/two-day schedule, which has radically transformed workers' lives outside work. Yet despite the inconvenience, the affected employees recognize that this change made it possible for more workers to keep their jobs. The union representatives we interviewed in 1997 added that the sale of the plant during the period of work reorganization in 1995 and 1996 created insecurity among the workers, who were then very happy when Kruger bought it in 1997.

Success Factors and Assessment

A variety of factors contributed to the success of the experiment in joint management of work organization undertaken at the Crabtree plant in 1992. First, the good labour relations over the preceding ten years prepared the parties for union-management cooperation. Second, the Scott Paper head office assisted this type of initiative by holding a yearly meeting at which management and union representatives could discuss their experiences. Third, the direction taken by the Confederation of National Trade Unions in the early 1990s had a favourable influence on the decision by the Crabtree local to get involved in managing work organization.

The parties at Crabtree had initiated a co-operative approach before Scott Paper senior management announced the 1994 restructuring plan. In 1992, there was no outside body forcing a work reorganization according to a specific plan and schedule. From the outset, the parties sought to provide a solid basis for their joint project. They began by studying experiences at other Scott plants. Then they selected a consultant to guide them in developing and implementing a plan. The result of this structured approach was that when Scott Paper did announce its restructuring plan in 1994, no changes in work organization were made at

Crabtree. Instead, organizational changes were introduced under the joint responsibility of both parties and under the terms of an agreement containing measures to offset the job cuts arising from the restructuring.

The agreement negotiated at Crabtree in 1994 not only avoided layoffs; it also resulted in the hiring of new employees and a significant drop in the cost of operating the plant. This outcome was possible because the employees accepted reduced working hours without compensatory pay to maintain the maximum number of jobs, and they also accepted a pay reduction in 1994 and a pay freeze in 1995 to fund the special early retirement plan that had been set up to encourage voluntary retirement of workers over 55. The organizational changes that were implemented as of 1995 under the guidance of the union-management committee helped attain a substantial improvement in productivity. The co-operative approach undertaken back in 1992 facilitated the negotiations surrounding the 1994 restructuring plan. The work reorganization initiated in late 1994 opened the way to team-based production and to greater employee involvement in the everyday management of operations. The agreement resulting from the 1996 round of collective bargaining, ratified by more than 95 per cent of the members, confirms the success of this co-operative approach. It provides

for average pay increases of 2.5 per cent per year for a period of five years and retains the joint committee that was created in 1993, but with extended powers regarding continuous negotiation of organizational changes.

In summary, harmonious labour relations over more than 20 years at the Crabtree plant were a great asset when it came to implementing a joint approach to organizational change in the early 1990s. This joint approach was then continued despite the rationalization plan imposed in 1994. During the negotiations surrounding this plan, the company's demands for reduced production costs led to staff cuts that were much less significant than originally expected. Employees agreed to reduced working hours and lower pay to reduce job losses among union members. The work reorganization that was implemented under the agreement featured significant changes in employees' responsibilities for managing production as well as their responsibilities within their work teams. This experience shows that employees are more likely to participate in improving quality and the organization of production when both the employer and the union agree, to negotiate measures that will minimize job losses arising from work reorganization.

THE SOCIAL CONTRACT EXPERIMENT AT THE ATLAS STAINLESS STEELS PLANT IN TRACY, QUEBEC, FROM 1991 TO 1998

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This case study traces the history of the union-management co-operation experiment implemented by the "social contract" agreement negotiated in 1991 at the Atlas Stainless Steels plant in Tracy, Quebec. The agreement was part of a more than \$300 million modernization project that was to create over 300 new jobs. The period of industrial peace, originally expected to last for six years, was extended in 1995 for three additional years despite the postponement in 1992 for an indefinite period of the planned investment, thereby jeopardizing the creation of new jobs. The negotiations in 1996 were made difficult because of the financial problems of the Korean multinational Sammi Steel Co. Ltd., the owner of the Tracy plant. These problems, which led the company to seek bankruptcy protection in 1997, contributed to the shelving of union-management cooperation, which remains dependent on the firm's financial consolidation. Nevertheless, the parties reached an amicable agreement on the monetary aspects of the collective agreement that expires in 1999.

The information contained in this study comes from various union and management documents, from interviews conducted in 1994 with two management representatives and from three members of the board of directors and five activists (four department representatives and one former member of the board of directors) of the Syndicat des employés des Aciers Atlas, affiliated with the Confederation of the National Trade Unions, which represents the salaried production workers at the Atlas Steels plant in Tracy. Updates were done in the fall of 1996, in March 1997 and in January 1998 in cooperation with a management representative and two union representatives.

This study is in three parts. The first part briefly outlines the background, the trends in production and number of employees, and the unions represented at the Atlas Stainless Steels plant in Tracy. The second part consists of an analysis of the union-management co-operation experiment at Atlas Steels from 1990 to 1998. The third part provides an overview of the principal organizational innovations introduced at the plant in the wake of the 1991 social contract, as well as at the impact of these changes on organizational effectiveness and staff relations.

Characteristics of the Atlas Stainless Steels Plant in Tracy

The Atlas Stainless Steels plant was established in Tracy in 1962 by the American multinational Rio Algom, which also had another industrial plant in the steel sector in Welland, Ontario. In 1985, Atlas Stainless

Steels became an independent division of Rio Algom and, in 1989, the firm was put up for sale and acquired by Sammi-Atlas Inc., a subsidiary of Sammi Steel Co. Ltd. of South Korea, a major producer of specialty and stainless steel. Sammi Atlas Inc., with industrial plants in Tracy and Welland, was then formed as a separate corporate entity whose shares were wholly owned by Sammi Steel Co. Ltd.

The Tracy plant specializes in the production of stainless steel in strips and rolls. There are three stages in the stainless steel manufacturing process; the first involving the steel mill department where steel slabs are melted and manufactured from nickel, chromium and scrap steel. In this department, the main technology involves the melting of steel in electric arc furnaces that have been in operation for some 30 years. The second stage involves the transformation of slabs of steel into strips and rolls in the hot mill department. The primary piece of

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equipment in this department is the planetary rolling mill, which is a very advanced technology, according to the management representatives interviewed in the course of this study. It seems that the planetary rolling mill at the Atlas plant is unique in North America and that this technology is very uncommon worldwide; in fact, it is found at only one other steel plant, in Japan. The technological advantage conferred by this mill is apparently one of the reasons the Korean firm Sammi acquired the Tracy plant in 1989. Finally, the finishing department laminates, cuts, finishes and ships the strips and rolls. There are also production support services such as maintenance, quality control, storage and shipping.

The Atlas Steels plant in Tracy is the only manufacturer of flat stainless steel products in Canada. In 1996, it delivered over 80,000 tonnes of stainless steel in rolls and strips and had a turnover of nearly \$200 million. In the same year, the plant exported more than 25 per cent of its annual production, mainly to the United States and Korea. Until now, the firm has had to compete with foreign manufacturers in the export market, but has had a near-monopoly in the Canadian market. Today, domestic competitive pressures are increasing because of the proliferation of new, ultra-modern, non-unionized plants in the United States and the forthcoming abolition of customs duties on the product. ISO (international standardization organization) quality standards were introduced at the Tracy plant in recent years. The laboratory where quality control takes place has been ISO certified since 1993, and the plant obtained ISO accreditation for its finished products in 1996.

In 1996, the plant employed approximately 670 regular, full-time workers: 215 white-collar employees, 75 of whom were office workers; 445 blue-collar employees, including 300 non-specialized workers and 145 specialized degree holders; and eight security guards. Employees were members of three separate accreditation units. The 445 production employees were represented by the Syndicat des employés des Aciers Atlas, affiliated with the Confederation of National Trade Unions. In April 1991, this group reached the first "social contract" type agreement in Quebec; this process and its aftermath are the subject of this study. As for the office workers and security guards, they were represented by unions affiliated with the Fédération des travailleurs du Québec. These two unions endorsed a proposed agreement in May 1991 that contains the same terms as the "social contract" concluded with the Confederation of National Trade Unions. The number of members of the Syndicat

des employés des Aciers Atlas increased from 370 in 1985 to 411 in 1990 and to 461 in 1992, stabilized at around 445 salaried workers from 1993 to 1996 and then again fell to 411 in 1997.

History of Union-management Co-operation at the Atlas Steels Plant in Tracy

The "social contract" agreement in April 1991 launched a union-management co-operation experiment that reflects the major changes characterizing the plant's economic and financial situation during the period: the suspension of the investment plan that was at the heart of the 1991 social contract and the financial problems of Sammi Atlas Inc., which was placed under the protection of the Companies' *Creditors Arrangement Act* in March 1997. Our analysis of the history of the experiment, covering the period 1990 to 1998, distinguishes seven phases: the initiation of change, the negotiation of the social contract in 1991, the unravelling of union-management cooperation in 1992, the renewal of the collective agreement in 1993, the extension of the social contract in 1995, the salary negotiations of 1996, and the financial crisis of 1997 and 1998.

Initiation of Change: 1990 to Early 1991

The collective labour agreement between Atlas Stainless Steels and the Syndicat des employés des Aciers Atlas expired on November 30, 1990. In May 1990, representatives of the two parties began traditional collective bargaining by referring to the steel industry "wage pattern" negotiated in Ontario and Quebec by the Steelworkers Union of America, affiliated with the Canadian Labour Congress. These negotiations proved difficult, and in October 1990, the employer called upon a conciliator from the ministère du Travail du Québec (Quebec department of labour), whose intervention was productive with the signature of a new collective agreement in February 1991.

At the time, Quebec was in an economic recession. Plant closings proliferated and the unemployment rate in the Sorel-Tracy region climbed to nearly 15 per cent. According to the management and union representatives interviewed, however, the Atlas Steels plant was not in a precarious economic situation, unlike many other firms in the metallurgical sector in Quebec. It still had a large share of Canada's stainless steel market and its deliveries to the American market were on the rise. However, the free-trade agreements

between Canada and the United States, and then with Mexico, substantially changed the rules of competition in the domestic market. More intense competition for their product was predictable, according to the representatives of both parties, because of the abolition of customs duties on steel, scheduled for 1998.

Shortly after the signing of the collective agreement between Atlas Stainless Steels and the Syndicat des employés des Aciers Atlas in February 1991, the Quebec government minister responsible for the ministère de l'Industrie, du commerce et de la technologie (department of industry, trade and technology), Gérald Tremblay, organized a meeting with representatives of both parties. The purpose of the meeting was to submit to them the conditions for government participation in a \$300 million plant modernization project proposed by the employer. The Société de développement industriel (industrial development society), under the guidance of the department of industry, trade and technology, offered a loan guarantee of up to \$105 million for the project, subject to obtaining an industrial peace guarantee for a six-year period.

The parties had just reached a good collective agreement, in which the unionized workers received an overall wage increase of 60¢ per hour for 1991. The union officials, who had been made aware of the department of industry, trade and technology plan in December 1990, believed they had nothing to lose in looking at what the government and the employer had to propose. The union steering committee sought and was given a strong mandate from members to undertake this tripartite negotiation with the company and the department.

Negotiation of the Social Contract: February to April 1991

A few days after the signing of the collective agreement in February 1991, the management and union representatives met with Minister Gérald Tremblay in the presence of a conciliator from the department of labour, to begin negotiating the "social contract," as Minister Tremblay termed it. In March 1991, after nine negotiating sessions, the union executive committee recommended the social contract agreement to its members at a general meeting. The members voted by a majority of nearly 85 per cent in favour of the agreement. It was then signed by the management and union representatives

but remained secret until Premier Bourassa's official announcement, on April 8, 1991, of government assistance for the modernization plan for the Tracy plant.

The agreement provided for renunciation of both strike and lockout tactics until November 1996; the maintenance during this period of at least 411 positions, corresponding to the number of regular salaried workers on the date of the agreement; the arbitration of final offers in case of disagreement on monetary clauses when the collective agreement expiring in November 1993 was renewed; the creation of an industrial relations committee that would have equal representation and would facilitate the adjustments required to introduce changes arising from the modernization; and the establishment of a human resources development plan and a total quality plan.

The union representatives interviewed in connection with this study emphasized that, because of the major innovations provided for in this agreement (e.g., arbitration of final offers, total quality), they believed that a new era in labour relations had just dawned at Atlas Steels. The key element of the agreement, according to the union representatives, was the planned \$300 million investment to modernize the plant. In addition, the floor of 411 jobs provided for in the agreement was an important element of the social contract for the union and its members.

Unravelling of Cooperation: November 1991 to August 1992

In November 1991, a few months after the signing of the social contract, the management of Sammi Atlas Inc. notified the union that the plant modernization project had been postponed indefinitely, because of a decline in the markets served by the plant in Tracy. Union representatives indicated that a feeling of uncertainty then developed among all plant staff due to doubts raised by the investment deferment announced by the company. A number of members questioned the social contract concluded earlier in the year, feeling betrayed by the company. In addition, both management and union representatives were highly critical of the wait-and-see attitude adopted by the department of industry, trade and technology representatives, who had masterminded the much-publicized agreement. Several union representatives reported that these events seriously disturbed the mutual trust that had been established between management and the union.

Following the investment deferment, management and union representatives at the plant were very concerned about the maintenance of the social contract. Because the social contract (Section 4.02) provided for cancellation of the agreement if the anticipated investments were not made by May 31, 1993, the union could have cancelled it. But when questioned in 1994, the union representatives noted that it would not have been in the union's interest to do so, since this would have further threatened members' job security. Union representatives felt that if the planned investments were not made, the minimum job guarantee would be essential to retain members' jobs. Therefore, at the general meeting in May 1992, the union's executive committee sought and obtained a mandate to retain the minimum job guarantee stipulated in the 1991 agreement.

To resolve the crisis brought on by the investment deferment, the parties jointly requested the assistance of the department of labour conciliator who had helped them close the 1991 social contract. (The social contract provided for help from a resource person appointed by the department of labour, when necessary.) The conciliator served as a facilitator between the parties and led them to examine possible solutions to the impasse. A compromise was reached, whereby, in August 1992, the union proposed to management that a memorandum of understanding be established in order to protect the minimum job guarantee. Management accepted this suggestion, and a memorandum was signed to ensure the validity of the social contract in spite of the investment deferment. Section 4 of the memorandum signed on August 7, 1992, reads as follows: "*DURATION OF THE AGREEMENT: This agreement takes effect immediately and remains valid until November 30, 1996. The parties regard the investments made to date and those already announced as concrete investments of the type intended at the time of signing Annex M.*"

Renewal of the 1993 Collective Agreement

The special round of bargaining for renewal of the 1993-1996 collective agreement began in June 1993, five months before the collective agreement was to expire on November 30, 1993. This round of negotiations necessitated 18 meetings over four months, from June 12, 1993 (submission of union proposal to employer) until October 22, 1993 (acceptance of employer's final offers at the general meeting).

With regard to the steps taken and methods used to settle the differences in this special round of negotiations, it should be remembered that the parties had agreed in the social contract to a six-year period of labour peace, up until 1996. In addition, the social contract had included a mechanism for renewing final monetary offers through arbitration, if no agreement was reached within the time period stipulated in the agreement. The parties did not have to resort to arbitration of final offers as they were able to reach a negotiated settlement. In October 1993, the parties asked the department of labour conciliator to help them reach a collective agreement amiably. The conciliator who worked with the parties knew them well from having participated in the social contract negotiations in 1991. The collective agreement, reached after only 10 or so negotiating sessions, was signed on November 19, 1993, just 11 days before it was due to expire. The management and union representatives who took part in this negotiation indicated that the parties tried a new approach during this special round of negotiation, seeking win-win solutions.

One of the key issues in this round of negotiations was the group insurance plan. The union responsible for administering this plan, based on fixed employer contributions, arranged for the insurance plan to be managed by a six-member joint committee. The employer committed to contributing 70 per cent of all costs from then on (rather than contributing a fixed amount for each employee). The union also negotiated a gradual increase in monthly retirement allowances in 1993 and 1994. Union members also got a profit-sharing plan, included in Annex N of the collective agreement, giving employees a three per cent share of operating profits based on the number of hours worked per employee in 1994. The same profit-sharing mechanism was in place for operating profits in 1995, and for 1996 the share in operating profits would be based on factors to be determined at a later date.

Extension of Social Contract in 1995

In October 1995, 86 per cent of the members of the Syndicat des employés des Aciers Atlas approved the extension, until November 30, 1999, of the guaranteed labour peace stipulated in the 1991 social contract, and agreed to retain the arbitration on final offers process in the event of disagreement for the renewal of the collective agreement expiring on November 30, 1996. The new agreement also provided an extension, for all employees on staff on the date of signature, of the minimum of 411 jobs guaranteed,

and maintained the standard clause and indexing clause existing at the time of renewal of the agreement expiring in November 1996.

This agreement strengthened the union-management partnership forged during negotiation of the social contract in 1991. It also confirmed the practice of ongoing negotiations developed in the wake of the 1991 social contract agreement, allowing the parties to adjust to market fluctuations. Between 1991 and 1995, numerous letters of agreement were concluded on various matters related to organization of work and working conditions: terms for taking annual leave, replacement of employees on long-term sick leave, registry of candidates and overtime. But the deteriorating financial situation of the Sammi Steel group, the first effects of which were felt in the spring of 1996, led to a cooling in union-management relations that was evident in the 1996 round of negotiations.

1996 Round of Negotiations

Negotiations to renew the collective agreement expiring in November 1996 began in May 1996. Under the agreed extension to November 1999 of the guaranteed labour peace concluded in 1995, negotiations were to deal solely with provisions involving money, and the parties agreed to arbitration on final offers in the event of disagreement. Standard union demands relating to the right of employees to apply for positions while on long-term union-related leave, the assignment of overtime, and information to be conveyed to the joint health and safety committee were, however, subject to negotiation. An agreement was reached on August 30, 1996, with respect to standard clauses. The union requested a conciliator for negotiations on monetary clauses, and a conciliator worked with the parties in September 1996.

In spite of the conciliator's efforts, the parties were unable to agree on monetary clauses. Management made a final offer, which was refused by 95 per cent of members at a general meeting on September 25, 1996. After the membership rejected the employer's final offer – to provide a \$500 lump-sum payment to each employee every year, separate from the salary scales – they ratified a proposal made by the negotiation committee on the contents of the union's final monetary offer. This was submitted to the employer on September 26, 1996. When the employer refused the union's final offer, the parties resorted to arbitration on final offers and appointed

their assessors to the arbitration board. Although the arbitration process had begun, negotiation continued on the matters in dispute, in the presence of the conciliator. There were two days of hearings, on November 12 and 13, 1996, to present the evidence relating to arbitration of monetary clauses. On November 20, management presented a new monetary offer to the union, and an agreement in principle was reached, providing for a lump-sum payment of \$500 in December 1996, as well as salary increases of 15¢ and 20¢ per hour as of December 1, 1997, and June 1, 1999. The agreement also provided for enhancement of the group retirement and insurance plans. A special general meeting was held on November 21, 1996, to present the settlement offer to union members which was ratified by a majority of nearly 90 per cent at another general meeting held on November 25, 1996.

This round of negotiations was more antagonistic than the 1993 round, due to tensions created by the first signs of the company's financial problems, in the spring of 1996. The cuts to spending on equipment maintenance, the reduction of overtime and complaints by some suppliers regarding overdue accounts made the union aware of the company's financial difficulties. These negotiations were punctuated by union pressure tactics to make the employer more conciliatory towards demands for improved salary and benefit plans. The union's pressure tactics can be described as unconventional. Negotiations took place during the ISO accreditation process, and the union membership voted to suspend the participation of union representatives and employees in committee work on total quality for the duration of negotiations.

Financial Crisis of 1997 and 1998

The rumours about the financial problems of the multinational Sammi Steel Co. Ltd. intensified in December 1996, following the announcement of negotiations between the Company and another Korean steel consortium to sell the plants in Welland and Tracy. After these negotiations fell through, managers of Sammi Steel Co. Ltd. obtained bankruptcy protection in Korea and Canada as of March 19, 1997. The Welland and Tracy plants continued production, however, under the leadership of a licensed trustee representing the creditors. Most senior managers and foremen remained on duty at the Tracy plant, and the trustee worked with the union to ensure compliance with the working conditions set out in the collective agreement, in particular the

minimum guarantee of 411 jobs stipulated in the 1991 social contract and retained in the 1993 and 1996 negotiations.

The union representatives interviewed in 1997 and 1998 indicated that the company's troubles over the last two years contributed to the cooling in union-management co-operation and a feeling of insecurity among employees. In addition, annual production dropped from 90,000 tonnes in 1995 to about 80,000 tonnes in 1996 and 1997, resulting in staff cuts to a level close to the minimum of 411 jobs guaranteed in the collective agreement, for the duration of these two years. Thanks to an arrangement reached in February 1998, it was not necessary to liquidate the company, as the creditors agreed to convert the debt into shares in the company and to continue operations at Sammi Atlas's two Canadian plants. This agreement was accepted with relief by the management and union representatives interviewed in 1998. They stressed that the pressure exerted by the new shareholders, consisting primarily of financial groups, tended to increase the profitability of operations. However, union-management co-operation had not been fully restored since a drop in the demand and prices for special steels attributable to the Asian financial crisis led to a drop in profit margins for the Tracy plant in 1996 and 1997.

Characteristics and Impacts of the Reorganization of Work at Atlas Steels

This third section describes the main changes in the organization of work and their impact on working conditions, as reported by the management and union representatives encountered during this study.

The representatives of the two parties began by pointing out that the changes primarily affected their relations rather than the technical aspects of the organization of work. Working relations, which had previously been very antagonistic, are said to be more co-operative now. The increased flow of information and more open discussions on the organization of work are equally important changes, according to the representatives. There are apparently more information meetings now than before, although these are said to have become less frequent during the past two years. Thus, from 1993 to 1995, the plant director held quarterly meetings in the cafeteria to inform all employees of the company's economic and commercial situation. The union officials stressed that their members greatly appreciated these meetings and felt much more involved with the company because

of them. However, the meetings were discontinued in 1996 as a result of the financial difficulties of the parent company, Sammi Steel.

The social contract agreement had called for the creation of a committee to implement a human resources development plan. This committee, composed of five management representatives and five union representatives, was set up in 1992. Its main mandate was to select the consultants to carry out an analysis of the information needs of the company's employees. The committee fulfilled its mandate and was disbanded in 1995.

A total quality steering committee was also created in 1992 to implement the total quality plan called for in the 1991 social contract agreement. This committee was composed of seven management representatives and seven representatives of the three unions (blue-collar workers, office workers and guards) and its main mandate was to select the consultants to implement the total quality plan. The consultants organized information meetings with all the employees. They also led five three-day co-ordination meetings for all the company's managers and some 30 representatives of the unions to establish a common basis for the total quality plan. Since then, some 20 ad hoc total quality committees have been set up to find solutions to the various problems encountered. These joint committees consist of three to seven members. Moreover, in February 1994, a group of 18 employees received training to lead the quality improvement committees.

According to the management and union representatives, all the plant's departments were involved in the various activities described. However, they do not feel that the levels of decision-making authority or work descriptions have changed substantially since the implementation of the union-management co-operation experiment, and no working group has yet been set up. The management and union representatives agree that decision-making authority on both the direction and methods of change remains with management, but that management initiates a good deal of discussion and consultation before making any definitive decision.

The training given to support the process of change apparently focused on resolving problems related to the total quality process. According to the union representatives, there are plans for putting more training activities in place when new equipment is installed in the plant.

This section concludes with an analysis of the main impacts of the joint reorganization of work in the Atlas Steels plant since the implementation of the 1991 social contract, as reported by management and union representatives. First, the impacts at the individual level are observed. Several indicators are used, in particular, relations between workers and foremen, workers' involvement, and their degree of satisfaction and motivation. Then assessments of the economic results of the reorganization of work, particularly productivity, quantity and quality of products, and quality of equipment are examined. The impact of the changes on working conditions and relations, and on collective bargaining are viewed.

At the individual level, all the respondents, both management and union, mentioned the greater involvement of workers as a major impact of the reorganization of work. Apparently, this is largely because, since 1991, they have been given more information and management has consulted them more frequently. On the other hand, the management and union representatives agree that the reorganization of work has had little impact on the workload or the qualifications required by production workers. The union representatives feel that mutual assistance and co-operation among co-workers has increased since the operational changes were implemented, because of greater communication between co-workers. The majority of them feel that management consults the workers more since the beginning of the union-management co-operation experiment but that, in the case of front-line and middle managers, the extent of consultation varies greatly from department to department.

Several major points were mentioned in relation to the economic impacts of the changes. For one thing, it would appear that the quantity and quality of production have increased significantly since 1991, as has productivity. According to the management representatives, annual production volume increased 33 per cent from 1991 to 1998, rising from 60,000 tonnes to 80,000 tonnes, while the number of production workers increased by less than ten per cent during the same period. Among the major factors accounting for this improvement in productivity, mentioned by both management and union representatives, are greater worker awareness and the introduction of the total quality plan.

The representatives of both parties said that the improvement in product quality is due primarily to the total quality plan implemented in 1992. The two parties also agree that labour productivity has increased since 1991. According to the management representatives, this increase is due, among other things, to greater worker involvement, improvements in equipment and the reduction in production down time. It would also appear that the length of the production cycle has decreased, taking into account the reduction in casting time.

The union representatives all agree that productivity has increased considerably since 1991, but they said that the main reason is the changes the engineers made on various machines to improve their performance and cut down on equipment failures. Some also mentioned that the profit-sharing scheme introduced in 1993 motivated workers to improve productivity.

The representatives of the two parties agree that the changes in the organization of work have had very little impact on human resources management. The management representatives said that the hiring criteria, work classifications, overtime pay and practices, and workplace health and safety provisions have not been altered as a result of the changes. The only major changes, according to the union representatives, involve the 12-hour work schedule and the profit-sharing scheme, both introduced in 1993. The union representatives also confirmed that the changes in the organization of work have had little or no effect on the working conditions of employees.

It seems the most significant changes resulting from the reorganization of work revolve around working relations. First, the management and union respondents reported a decrease in the number of grievances and quicker settlements of disputes and complaints. The parties are also referring fewer grievances to arbitration than in the past: since 1991, the five or six grievances sent to arbitration have all concerned the use of contracting-out to repair production equipment. Nevertheless, the number of grievances increased in 1996 and 1997 when management imposed restrictions on overtime. The management and union representatives interviewed also mentioned a distinct improvement in the quality of communications at every level in the plant

and greater mutual understanding between management and the unions. They also agree that union-management relations since 1991 have been more co-operative than in the past. However, the union representatives interviewed in 1997 and 1998 mentioned that union-management relations have cooled off again since 1996 because of the insecurity created by the company's financial difficulties.

The two parties also identified several major changes in the collective bargaining process. For one thing, they agree that, since 1991, the traditional position-based negotiating approach has given way to interest-based, or "win-win," bargaining. For another, they feel that union-management relations in recent years have focused more on an ongoing process of negotiation. It seems that, since 1991, the number of letters of agreement the parties have signed and the number of issues they have discussed on an ongoing negotiation basis have increased. As for the process of bargaining to renew the collective agreement, the two parties agree that the 1993 round of negotiations was much shorter than in the past, and that there was a real climate of mutual trust at the bargaining table. However, the company's financial difficulties contributed to a cooling off of management-union relations that translated into more antagonistic negotiations in 1996.

Conclusion

This study concludes by pointing out the main success factors and the problems with the process of change undertaken at Atlas Stainless Steel in recent years, as mentioned by the official representatives of the two parties and by union activists interviewed for this study.

The main success factors identified by the management representatives are the workers' open-mindedness and desire to be involved and the

sustained commitment of the union executive in the reorganization of work. For their part, the union representatives feel that the main factor in the success of the process was the minimum-job guarantee in the social contract. According to the union officials and activists encountered during this study, the social contract experiment at Atlas Steels increased the members' confidence in their union. It thus seems that increased worker participation in the firm's management did not diminish union representation at the plant.

The main difficulties encountered in the organizational change process begun in 1991 are problems of attitude and behaviour. The management representatives identified scepticism and resistance to change among certain managers and groups of workers as the main problems encountered. The union representatives identified delayed investments, resistance to change among front-line managers and management's slowness in implementing planned changes as major problems in the process. Overall, the management and union representatives feel that the implementation of the social contract at Atlas Steels has been a partial success to date, although it is still too early to pass final judgement on this experiment, which is still under way.

In closing, it must be stressed that the extent of the changes and the degree of worker involvement at the Atlas Steels plant remain limited, and that the difficult financial situation of the past two years has not promoted greater union-management co-operation. A stabilized financial situation and a renewed demand for flat stainless steel products will be decisive factors in the continuation of the union-management co-operation experiment at the Tracy Atlas Steels plant in the years to come.

UNIONS, INEQUALITY, AND THE DISTRIBUTION OF INCOME IN CANADA: EVIDENCE FROM THE 1994 SURVEY OF LABOUR AND INCOME DYNAMICS

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1 – Introduction

Unions have been a major feature of the Canadian labour market since the Second World War, when federal *Order in Council PC1003* established a framework for the certification of unions as bargaining agents and for the process of collective bargaining. Today, many workers are either covered by collective agreements, or are union members, and the idea of the right to organize and collectively bargaining has been firmly legitimized. In fact, in 1999, as we approach the end of the millennium, roughly one-third of the Canadian labour force is unionized and a slightly higher proportion is covered by collective agreements (see Akyeamong 1998). While unions are perhaps most noted for their various economic impacts, they are also important social and, to some extent, political institutions which affect broader Canadian society. Although in each of these dimensions, Canadian unions remain influential institutions, in this article we are concerned with their impact on the economic well-being of workers and any influence they may have as economic equalizing institutions.¹

Both Canada and the United States are ending the 20th Century on the crest of an economic upswing which appears to be unprecedented in the post-war period in terms of both its strength and longevity. Yet, while the economies of both Canada and the United States are growing at an extraordinary rate, concerns have been mounting that the increases in national wealth are not being shared as equally as they might (or even ought to) be. In fact, for some time now in the United States there has been considerable evidence of growing disparities between the very rich and the very poor – combined with the threat of a shrinking middle class.² While the United States trend towards increased income polarization and inequality appears to be less pronounced in Canada, and the Canadian middle class remains largely intact, concerns about increased income inequality have, nonetheless, been of some concern in Canada.³ Moreover, unions have been identified as a major institutional factor which can equalize the distribution of income and reduce the degree of inequality in the

The analysis is based on Statistics Canada's Survey of Labour and Income Dynamics Public Use Microdata, 1993, which contains anonymized data collected in the Survey of Labour and Income Dynamics. All computations on these microdata were prepared by the authors and the responsibility for the use and interpretation of these data is entirely that of the authors.

The authors gratefully acknowledge the benefit of research assistance from Brad Ridge.

¹ Refer to Chaykowski (1995) for a general review of the various economic effects of unions.

² For comprehensive reviews of changes in the extent of economic inequality over the past several decades as well as a discussion of the evidence regarding the various factors that are thought to have given rise to increased inequality, see Levy and Murman (1992) and Karoly (1993).

³ Beach and Slotsve (1996) and Morrisette, Miles and Picot (1995) provide thorough reviews of inequality trends and the factors underlying these developments for Canada. Also, see Wolfson and Murphy (1998) for a recent assessment of inequality trends.

economy.⁴ Recent studies have suggested that the decline of unionism in the United States may have been an important factor contributing to the increase of income and earnings inequality in that country during the past several decades.⁵ So, it is interesting to note that the "state of the unions" in the United States and Canada could not be more different (e.g., see Riddell, 1993). In the United States, private sector unionism has dipped well below ten per cent and some observers predict that the proportion of the American labour force that is unionized will fall so low as to relegate unions to a marginal role in the United States economy. In contrast, unions remain relatively strong and continue to influence economic and social outcomes in Canada.

But there are some significant clouds on the horizon of Canadian unionism. In particular, the broader public sector is heavily unionized, so the room for further growth there is limited; meanwhile, substantial downsizing of the federal and various provincial governments has resulted in large membership losses. In the private sector, particularly in manufacturing, union membership has been in decline throughout most of the 1990s, while unions have been relatively slow to organize employees in the rapidly growing private service sector.⁶ Finally, the ability of unions to raise wages has been limited in recent years, especially as the competitive pressures on firms have intensified; unions have focused on job security issues as large firms have downsized their workforces, although it would appear that the degree of success has been somewhat limited; and, in some cases, unions have reduced bargaining power in an environment in which firms are striving to enforce wage restraint in an effort to remain cost-competitive.⁷

From an economic standpoint, the impacts of unions can be observed at the firm level where wages are negotiated, at the broader level of the industry through wage patterns and strike activity, and at the broader macro-economy level through aggregate wage growth and strike activity. But, to date, there has been relatively little analysis of the relationship between

unionization and the degree of income inequality in Canada. In this article, we employ a relatively new database made available from Statistics Canada in order to more fully characterize what the similarities and differences are in the distribution of income between unionized workers, on the one hand, and non-unionized workers, on the other hand, in the Canadian private sector. That is, we present a portrait of the degree of inequality among unionized workers versus non-unionized workers. The basic concern among some observers is that if unions tend to be somewhat equalizing institutions in the Canadian economy, and if unions have begun to decline in significance in Canada, then any further decline in union representation may have a deleterious effect on the state of Canadian income inequality. In the following analysis we more fully characterize the nature of the distribution of income among unionized workers and non-unionized workers and provide a portrait of how unionized workers at the lower, middle, and top ends of the income distribution compare with non-unionized workers.

2— Unions and their Effects on Employee Pay

Perhaps the economic effect most identified with unions is their effect on wages through the collective bargaining process. The economic notion or rationale underlying the observed ability of unions to raise wages relies upon the view that they can have a "monopoly effect" in the labour market by controlling the supply of labour services to employers.⁸ There is now a considerable body of empirical evidence from both Canada and the United States that suggests that unions have been fairly consistent in delivering a union-wage premium by negotiating wages for their members above those that would otherwise prevail had the workers not been unionized. While generalizing across a wide variety of studies that have produced overall estimates of the union-wage advantage is difficult – these estimates can vary quite considerably depending upon the occupation, industry, skill group

⁴ Early landmark studies on these union effects include Freeman (1980) and Freeman and Medoff (1984).

⁵ Refer to Freeman (1993), Lemieux (1993) and Dinardo and Lemieux (1997).

⁶ See Chaykowski and Slotsve (1996a) and Meltz (1994) on the decline of manufacturing union density in Canada and a discussion of possible consequences.

⁷ Recent Canadian evidence on firm level developments in collective bargaining and labour relations, generally, is provided in Verma and Chaykowski (1999).

⁸ For the standard neoclassical economic characterization of unions in the labour market and the progression of thought on the theory of union effects, see Dunlop (1944), Friedman and Friedman (1962), and Freeman and Medoff (1984).

etc. that is examined, or the data source or time period considered – estimates are typically in the range of 10 to 15 per cent or higher. The major empirical regularity, however, is that unions *do*, on average, tend to raise wages.⁹ Since wages are the largest component of employees' income, and since unions also tend to increase the fringes component of compensation, unions therefore tend to increase workers' compensation levels above those of non-union workers.¹⁰

There are several possible effects in the labour market as the result of the existence of a "union-wage premium." Based primarily upon the monopoly effect view, one of the major criticisms of unions is that they can create unemployment in the labour market, essentially by raising wages above levels that would otherwise prevail in the absence of unions.¹¹ How might this occur? Essentially, firms may react to higher unionized wages by substituting away from labour in their production processes towards either cheaper forms of (unionized) labour, non-unionized labour, or more capital intensive production methods.

Furthermore, workers who are unemployed as a result of the union-wage effect may migrate into the non-unionized sector, thereby increasing the supply of labour in that sector and, consequently, allowing employers to offer lower wages in that sector. The net result would be increased wage inequality between the unionized sector which enjoys the wage premium and non-unionized sector(s) in which there is an increased supply of labour and lower wages. Counterbalancing this effect may be what is referred to as a "threat effect," by which non-unionized firms tend to raise the wages or compensation of their employees as a means of thwarting potential

unionization; the net effect here would, of course, be to lower the degree of inequality between the wages of unionized and non-unionized workers.¹² Finally, unions also have an equalizing effect within firms by virtue of the egalitarian pay practices which they tend to pursue through collective bargaining. Unions can therefore have the effect of equalizing wages across comparable workers within organizations and, through pattern bargaining, tend to equalize wages across firms within an industry, or through broader sectors of the economy in which a large proportion of workers tend to be unionized.¹³ Taken together, the net result of these various wage effects on overall inequality is uncertain and, therefore, open to empirical inquiry. One of the early, and now landmark, United States studies of unions that analyzed this issue found that unions, as a whole, served to decrease the overall level of inequality in the economy (see Freeman and Medoff 1984).

In Canada, the various effects which unions may have on the broader earnings or income distribution are perhaps less well documented. Therefore, a variety of questions naturally arise. Do unions tend to have, by and large, an equalizing influence on income? What is the effect of unions on the distribution of income across education or skill groups? Are the earnings of unionized workers higher than those of non-unionized workers across all regions of a country? Do unions have an impact in raising the earnings of those most in need (i.e., those workers at the very lowest end of the income distribution) in Canada?

In the following sections we provide a variety of portraits of the distribution of earnings and the degree of inequality among unionized workers compared to that of non-unionized workers in Canada. Our purpose

⁹ There is a growing body of empirical evidence in Canada on the magnitude of the union-non-union wage differential: early studies include MacDonald and Evans (1981), MacDonald (1983), Robinson and Tomes (1984), Simpson (1985), Kumar and Stengos (1985), and Grant, Swidinsky and Vanderkamp (1987); more recent evidence is provided by Robinson (1989) and Meng (1990); and Renaud (1997) provides a review of the evidence. For the US, the major works are by Lewis (1986; 1963).

¹⁰ Note that since the generosity of many fringe benefits is tied to wage earnings, the union wage premium also raises total compensation through this effect. Refer to Freeman (1981) for one of the first empirical analyses of the effects of unions on fringe benefit levels.

¹¹ Other criticisms include contributing to wage and hence, downstream, price inflation in the economy; a loss of economic output through strike activity; and the creation of rigidities and inefficiencies within workplaces by creating a very complex and cumbersome web of rules that govern the workplace and effectively limit managerial discretion.

¹² See Rosen (1969) on the notion of the "threat effect" of unions on the wages of non-union workers.

¹³ Historically, pattern bargaining had been a major feature of industries as diverse as meat packing, steel, and mining. More recently, in Quebec and Saskatchewan, there was considerable concern during the summer of 1999 that any major wage settlement (concessions) to the nurses in the province would have the effect of setting a precedent which other public sector unions in the province would like to emulate or "pattern after."

is to compare and contrast the degree of (in)equality between unionized and non-unionized workers as a way of gaining insight into the overall effect of unions on the distribution of income in Canada. While Canadian unions remain relatively strong and hence influential in the economy, there are indications that they are declining in some key sectors, such as manufacturing. If they do decline as a major labour market institution, then this may have significant consequences for the extent of income inequality in Canada.

3— Analysis of Mean Income by Union Status and Personal and Employment Characteristics¹⁴

In this section, we compare the mean income levels of unionized and non-unionized workers by employment status, gender, industry and region, and education and skill characteristics. While we expect that unionized workers as a whole will (on average) have higher income levels because of the union wage premium, this part of the analysis will allow us to determine whether or not unionized workers have higher income levels across a variety of labour market and personal characteristics. In the second part of the analysis, we compare the average earnings of unionized and non-unionized workers at various points of the overall income distribution. Finally, we also consider the average income levels of non-unionized workers who are low income, high income, and middle class in order to better appreciate who benefits most from unionization.

3.1— Union and Non-union Income Levels

Income Levels by Employment Status and Sex

Chart 1 illustrates the mean income of workers according to their unionization status and their employment in full-time versus part-time jobs. In

the first panel, we notice that part-time workers, on average, earn roughly one half the income level of full-time workers. This pattern is consistent among both unionized workers and non-unionized workers separately – as illustrated in the second and third panels of Chart 1. Note, however, first that the *difference* in mean income between part-time and full-time workers is *lower* among unionized workers (\$15,042) than among non-unionized workers (\$16,427) and, second, that both full-time unionized workers and part-time unionized workers, on average, earn higher income levels than their non-union counterparts.¹⁵ Thus, it would appear that unionized workers, whether full-time or part-time, do better than non-unionized workers and that unions appear to reduce the disparity in pay between part-time and full-time workers.

Several interesting results emerge when the mean income of unionized and non-unionized workers is examined by sex. As is evident from the second and third panels of Chart 2, unionized males earn (on average) roughly the same as non-unionized males;¹⁶ however, unionized females enjoy a considerably higher income level than do non-unionized females, with a difference in favour of unionized females of roughly \$6,704. The net result is that the overall higher average income level of unionized workers that we observe appears to be essentially driven by the fact that unionized females have (on average) a higher income level than do non-unionized females.

Comparison of Income Levels by Union Status and Human Capital Characteristics

One of the most important determinants of individual workers' earnings and income levels over time is the degree of human capital investment that workers are able to accumulate, including formal education, on-the-job training and skills formation. In this section, we are able to examine similarities and differences in the average income levels of unionized and non-unionized workers by both education and skill levels. We consider all workers together, regardless of their

¹⁴ The data used in the analysis is drawn from Statistics Canada's Survey of Labour and Income Dynamics for 1994 and is based on the Canadian Labour Force Survey. It is a national household survey of the civilian population that excludes residents of the Yukon and Northwest territories and residents of institutions and reserves. The sample used is 6,309 and includes employed paid workers in the private sector who are aged 16 to 62 and who are not subject to a long-term health condition.

¹⁵ The difference between the incomes of unionized part-time and non-unionized part-time workers is \$5,837; the difference between the incomes of unionized full-time and non-unionized full-time workers is \$4,453.

¹⁶ The difference in favour of unionized males is only \$543.

Chart 1

Mean Income by Union Status
and Part-/Full-Time Employment, 1994

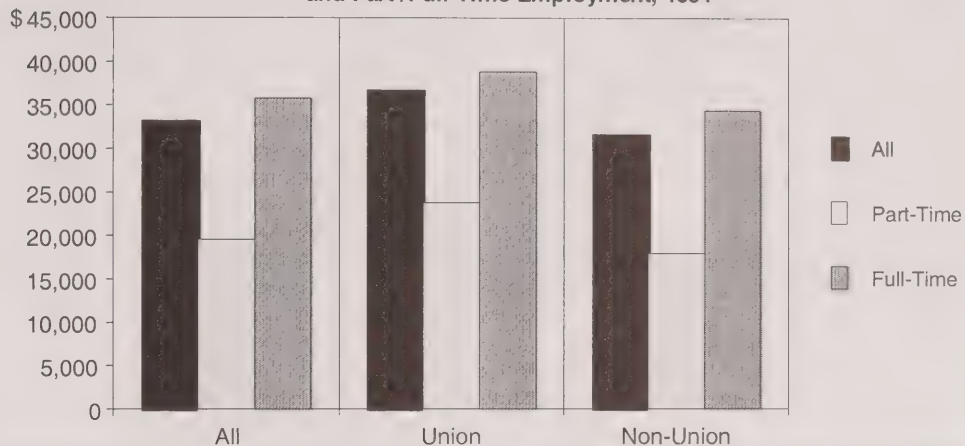
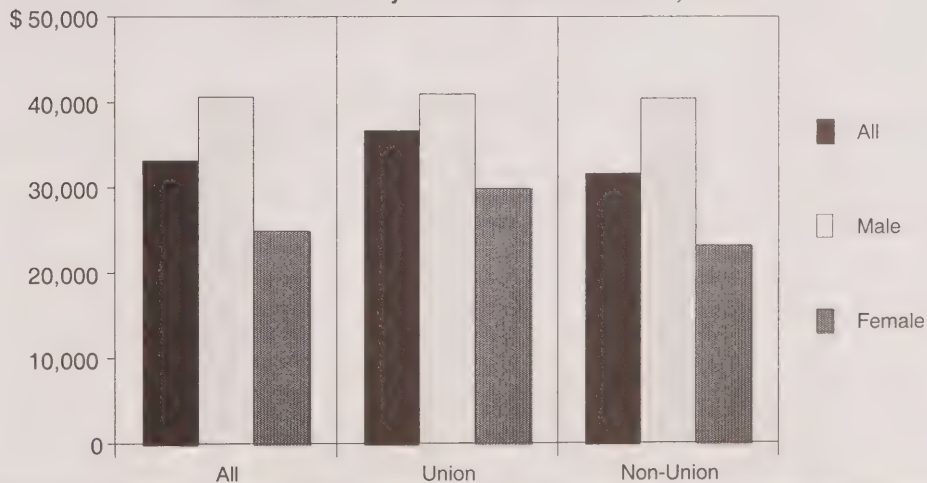


Chart 2

Mean Income by Union Status and Gender, 1994



education level, as well as workers with each of high school or less, some post-secondary or a post-secondary certificate, a university bachelor degree, or a post-graduate degree and we consider each of these groups for both unionized and non-unionized workers. These results for education are represented in Chart 3; in panel 1 the results are presented for all workers; in panel 2 they are presented for unionized workers; and in panel 3 they are presented for non-unionized workers.

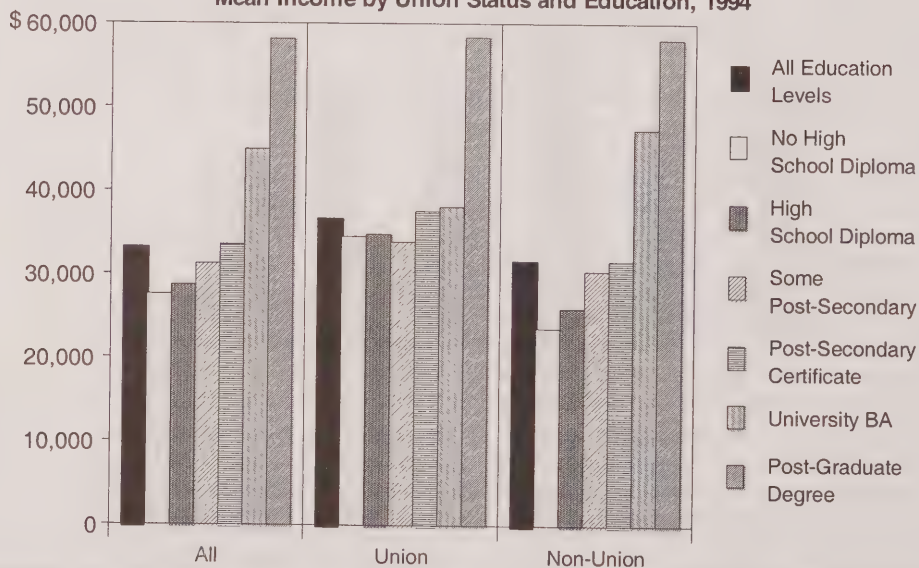
Unionized workers with no high school diploma, a high school diploma, some post-secondary education, or a post-secondary certificate all (on average) earn higher income than do the corresponding non-union education group. The differences are sizeable and range from roughly \$3,492 among workers with some post-secondary education to \$11,000 among workers who have achieved a post-secondary certificate.

However, the differences between unionized and non-unionized workers reverse when one considers workers with a university BA degree. Here the results are opposite of what we observed at the lower education levels in that non-unionized workers with a university BA in fact earned considerably *more* than unionized workers with a university BA (with a difference in mean income of about \$9,286); non-unionized and unionized workers with post-graduate degrees earn on average roughly the *same* income level. What explains these results? On the one hand, we expect that unions will be most successful in raising the wages of workers at the lower to middle education levels, since these education levels would be expected to correspond to a broad range of industrial jobs in the economy. On the other hand, employees in jobs that require advanced degrees, such as a BA or post-graduate degree, tend also to be in higher paying jobs in the labour market that are often associated with professional or managerial responsibilities. Therefore, the ability of unions to deliver a wage *premium* for these workers would be expected to be small;¹⁷ moreover, unions generally reduce pay differentials due to skill, so we would expect the more highly educated to benefit the least.

These results for education and average income are consistent with the results obtained when mean income by union status and skill is examined (see Chart 4). In this case, both the non-unionized 'professional and high level management' and non-unionized 'semi-professional and mid-management' employee groups tend to earn (on average) approximately the same income level as unionized workers with those qualifications.¹⁸ When one examines the 'skilled and semi-skilled' employee group and the 'un-skilled' employee group it is clear that unionized workers in each of these two skilled groups earn (on average) substantially higher income levels than do the corresponding non-union workers (by \$11,332 and \$9,653, respectively). Thus, it would appear that the results for both education and skill are quite consistent in that non-unionized employees with very high education and skill level attainment tend to earn as much or more as unionized workers whereas workers in the middle to lower end of the education and skill spectrum benefit most from being unionized. Again, these results make sense when one considers that union membership tends to be concentrated in the middle and lower end of the education and skill spectrum (where the scope for raising the wages of those workers would probably be

Chart 3

Mean Income by Union Status and Education, 1994

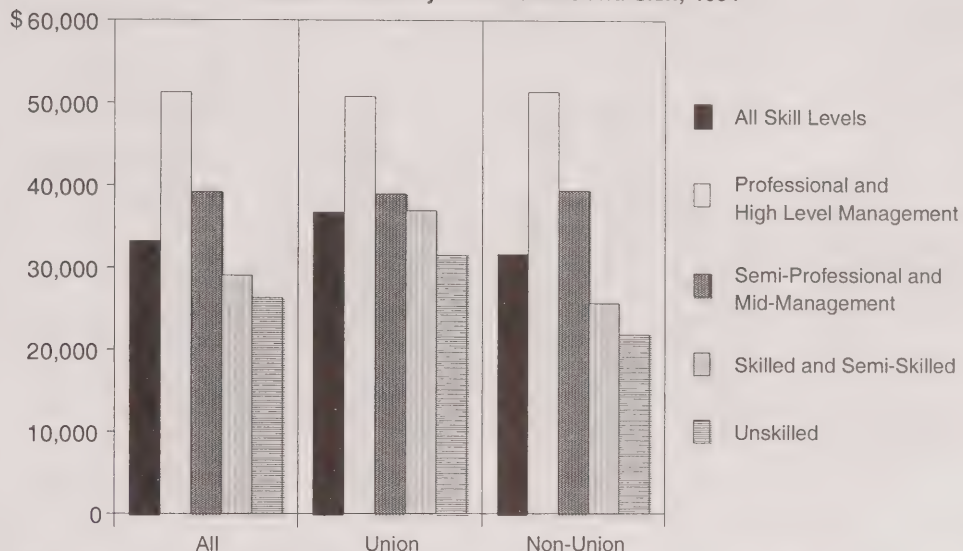


¹⁷ Alternatively, more highly paid workers may be more likely to seek union representation in order to improve the non-monetary aspects of their job, such as working conditions, grievance/arbitration procedures, health and safety, etc.

¹⁸ The differences, in favour of non-unionized workers in each case, were only \$603 and \$378, respectively.

Chart 4

Mean Income by Union Status and Skill, 1994



higher than among the already highly paid employees in the labour market) and that unions tend to compress pay differentials by skill.

Comparison of Mean Income Levels by Union Status and Industry and Region

Since union membership remains concentrated in the traditional primary, manufacturing, construction, and transportation industries, which are the traditional bullworks of trade unionism in Canada, we might expect the union earnings and income effects to be highest in those industries. The comparison of average income levels by union status and industry displayed in Chart 5 illustrates that the mean income of unionized workers is substantially higher than that of non-unionized workers in both the primary (by \$12,028) and construction (by \$17,347) industries but that, perhaps somewhat surprisingly, average income levels are roughly comparable in the manufacturing sector (with a difference in favour of unionized workers of only \$432). However, when one considers that union density in the manufacturing sector is currently at a level of approximately 32 per cent and that it has been declining in recent years, combined with the

fact that the manufacturing sector is subject to considerable international (particularly American) competitive pressures that would tend to dampen union wage demands, this result is perhaps not so surprising after all.¹⁹

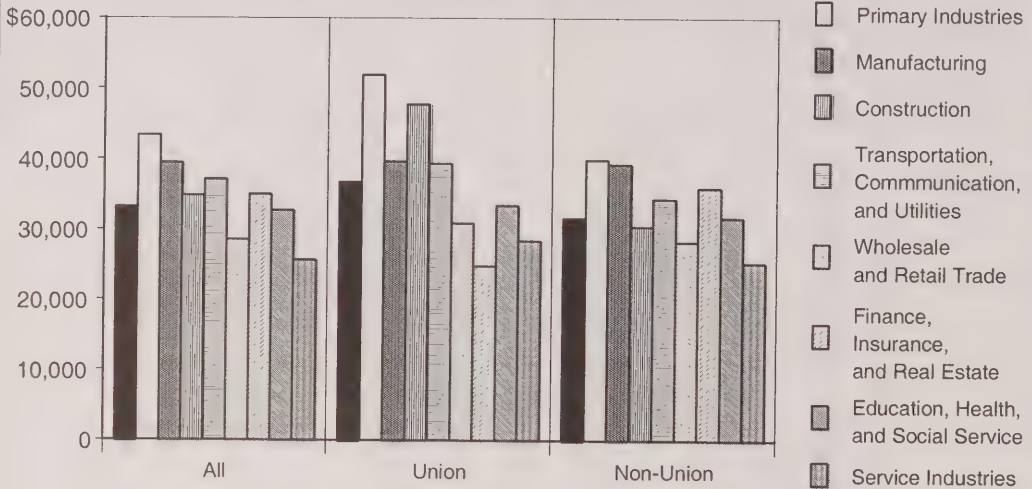
The mean income of unionized workers is also higher than that of non-unionized workers in the transportation, storage, communication and utilities industries (by \$4,984) which also tends to be heavily organized. Differences in mean income levels between the two groups are smaller but still in favour of unionized workers in:

- wholesale and retail trade (by only \$2,693);
- education, health and social services sector (by only \$1,720); and
- the broader service sector (by \$3,117).

The one sector in which the mean income of non-unionized workers exceeds that of unionized workers is in the finance, insurance, and real estate industry (which has particularly low union density levels). Here the difference in mean income is a substantial, \$11,101 in favour of non-unionized workers.

¹⁹ Refer to Chaykowski and Slotsve (1996) for a discussion of trends in union density in the manufacturing sector and Akyeampong (1998) for recent estimates of union density by industry.

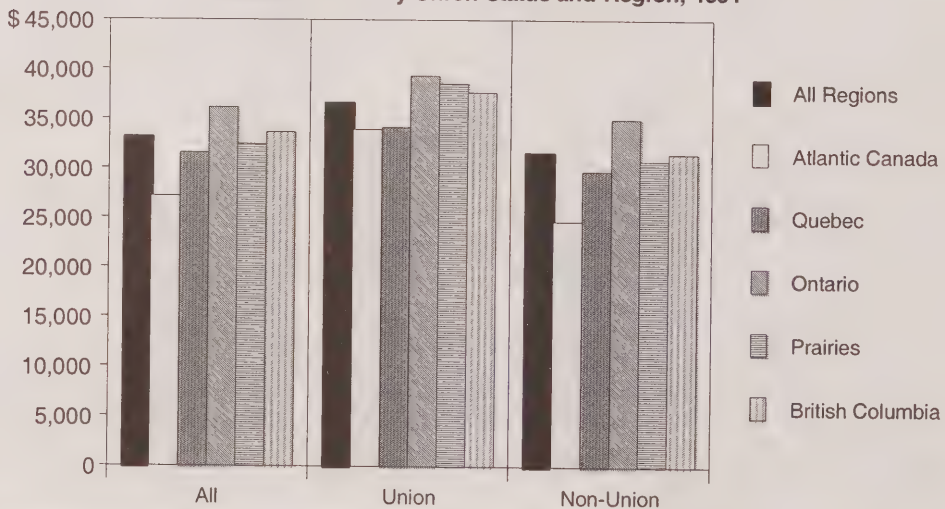
Chart 5
Mean Income by Union Status and Industry, 1994



Many aspects of the Canadian labour market vary by region, including such features as the unemployment rate, average wage levels, as well as the degree of unionization. Differences in mean income by union status and region are illustrated in Chart 6 and

demonstrate that, in all regions of Canada, the mean income of unionized workers exceeds that of non-unionized workers, but that the differences are largest in Atlantic Canada (by \$9,249), the prairies (by \$7,846), and in British Columbia (by \$6,186).²⁰

Chart 6
Mean Income by Union Status and Region, 1994



²⁰ The differences in mean incomes are just under \$4,500 in each of Quebec and Ontario.

3.2— Union and Non-union Average Income Across the Income Distribution

Method of Calculation of Mean Income and Income Shares by Quintile

In order to compare the distribution of income between unionized and non-unionized workers, we proceed in two steps. In the first step, we begin by ordering *all* paid workers in the sample (6,309 observations) by income level, from lowest to highest. Once this ordering is accomplished, we divide the total sample into *quintiles* or fifths. Thus, the first quintile includes those workers in the total sample with the lowest 20 per cent of income, the second quintile includes the next highest 20 per cent of workers in terms of income, and so forth, up to the fifth or highest quintile which includes the top 20 per cent of employees who are at the highest income levels. This allows us to establish the income cutoffs between the first and second, the second and third, the third and fourth, and the fourth and fifth quintiles, respectively, that we use in the analysis; that is, each quintile corresponds to a particular income range, that defines a total sample quintile.

In the second step, we separate unionized workers from the sample and we calculate which unionized workers have an income that falls in each quintile (where the income range for each quintile is defined as the total sample quintile from step one). For the unionized workers in a given quintile, we can then calculate the mean income level. Similarly, we separate non-unionized workers from the sample and we calculate which non-unionized workers have an income that falls in each quintile (where the income range for each quintile is again defined as the total sample quintile from step one). Again, we can calculate the mean income level for non-unionized workers in each quintile. Thus, for a given segment or quintile of the overall income distribution, we are able to compare the average income levels of unionized and non-unionized workers. Note that, since the income cutoffs for each quintile are defined by the entire sample of workers, a different number of unionized and non-unionized workers will reside in each quintile.

This approach allows us to examine the average income of unionized and non-unionized workers at different areas of the entire income distribution – rather than considering only a single summary measure of

mean income among unionized and non-unionized workers, respectively. Finally, we also consider the share of total income earned by unionized workers in each of the quintiles; this calculation of income shares is also done for non-unionized workers and for all workers in the labour market.

Mean Income and Income Shares by Union Status

Chart 7 provides the quintile mean income by union status. In each of the first, second, third and fourth quintiles, the mean income of unionized workers slightly exceeds that of non-unionized workers, by roughly \$820 in quintile one, \$496 in quintile two, \$215 in the middle (third) quintile, and \$427 in the fourth quintile. However, in the fifth or highest quintile the mean income of non-unionized workers exceeds that of unionized workers by a considerable margin of \$10,050. Thus, it would appear that unionized workers tend to do better in the lower and middle quintiles, whereas employees at the very top of the overall income distribution tend to do better if they are non-unionized.

Even so, it would appear that the shares of (aggregate union) income held by unionized workers in the lowest two quintiles (at 12.2 per cent) are considerably smaller than the corresponding shares of (aggregate non-union) income held by non-unionized workers in the lowest two quintiles (at 23.6 per cent). Unionized workers in the middle and fourth quintiles hold a larger share of (aggregate union) income (at 49 per cent) relative to the share of (aggregate non-union) income held by non-unionized workers (at 37.8 per cent). Finally, in the top quintile, the share of (aggregate union) income held by unionized workers (at 38.8 per cent) is virtually the same as the share of (aggregate non-union) income held by non-unionized workers (at 38.6 per cent). For both unionized and non-unionized workers, the income shares steadily increase from the lowest to the top of the overall income distribution (see Chart 8). But these results also suggest that the share of aggregate union income held by workers in the middle to top of the overall union distribution is larger, and the share of aggregate union income held by workers in the lower segments of the overall union distribution is lower, relative to the corresponding shares of aggregate non-union income held by non-union workers.

The pattern of full-time and part-time employment across quintiles is roughly similar among unionized and non-unionized workers. It is apparent (see Chart 9),

Chart 7

Quintile Mean Income by Union Status, 1994

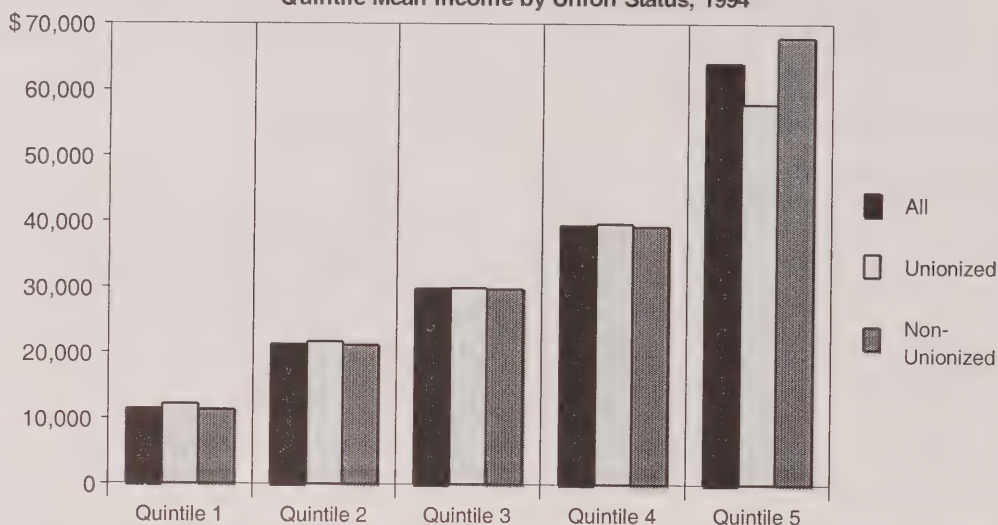
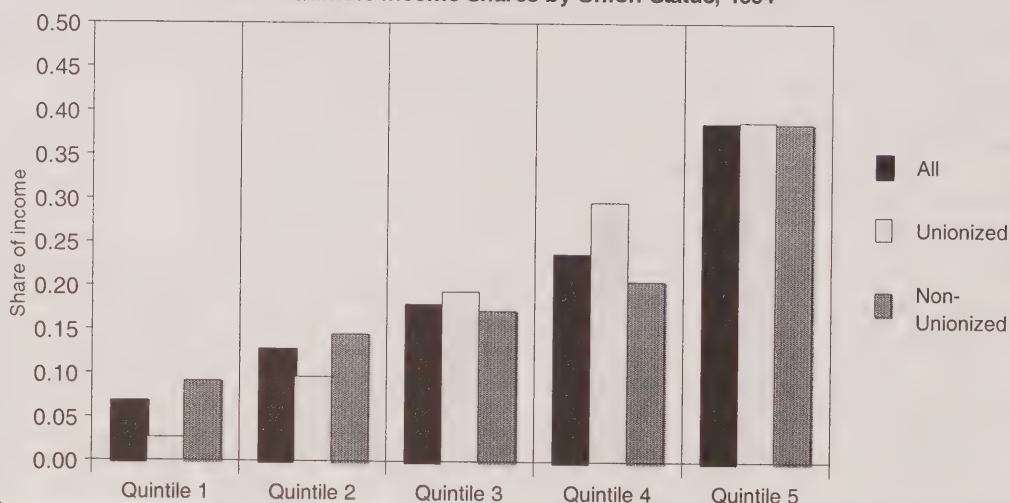


Chart 8

Quintile Income Shares by Union Status, 1994

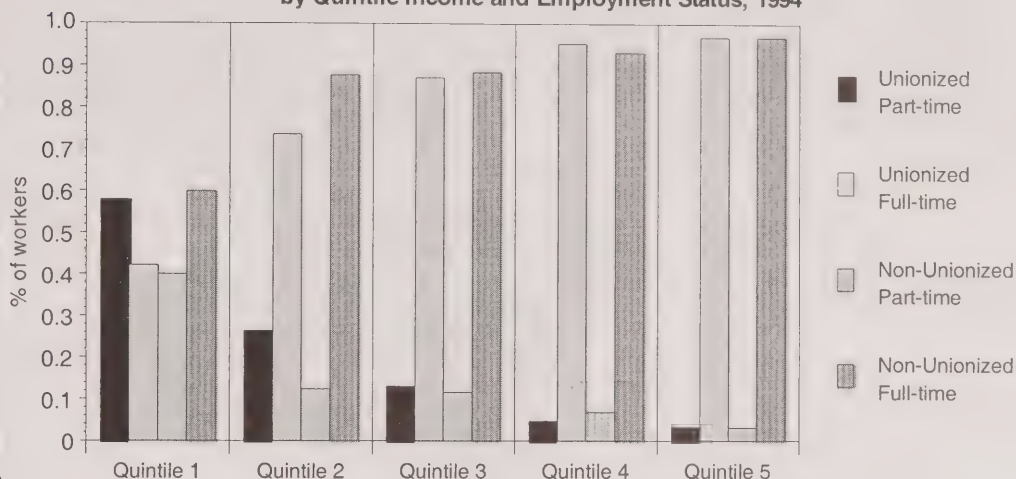


however, that in a given quintile, the proportion of unionized workers who are part-time is greater than the proportion of non-unionized workers who are part-time at the lower end of the distribution (quintiles one, two and three); whereas, at the higher end of the overall distribution (quintiles four and five), the proportion of workers who are part-time is much higher among non-unionized workers. This pattern is

essentially reversed among full-time workers at the lower end of the distribution. In this case, in the bottom three quintiles of the overall income distribution, in a given quintile, the proportion of workers who are full-time is higher among non-unionized workers than among unionized workers, although the proportion full-time is very similar in the middle quintile. In the fourth quintile, the proportion full-time is slightly higher among

Chart 9

Percentage of Unionized and Non-Unionized Workers
by Quintile Income and Employment Status, 1994



unionized workers, but essentially the same in the top quintile of the income distribution.

Taken together, these results suggest that the reason unionized workers have a smaller share of (aggregate union) income in lowest quintile, relative to non-unionized workers, is because the unionized workers are predominately part-time workers, whereas non-unionized workers in the lowest quintile are predominately full-time. As we move up the distribution, for both unionized and non-unionized workers, the percentage employed full-time increases and, consequently, their quintile income shares rise.

Polarization and Income Levels of the Middle Class by Union Status

In this section, we characterize how workers in the middle and two ends (or poles) of the income

distribution are doing depending on whether they are unionized or non-unionized. We define the middle class broadly to include those workers whose income falls within the range of 50 per cent of the median income and 150 per cent of the median income of *all* paid workers in the sample. Among all workers whose income fell within this band of 50 to 150 per cent of the overall median, the average income was just under \$29,000 per year in 1993. For this middle class group, the mean income of unionized workers exceeded that of non-unionized workers by roughly \$3,200. In addition, among unionized workers, roughly 58 per cent of the (aggregate) income of unionized workers was held by those whose income is considered middle class. This share was slightly larger than the corresponding proportion for non-unionized workers (at 54 per cent). Thus middle class unionized workers have higher average income and hold a larger share of unionized earnings relative to non-unionized workers. (See Table 1.)

Table 1

Income of the Middle Class by Union Status, 1994
50-150% Income Group

	All	Unionized	Non-Unionized
Mean Income	\$ 29,000	\$ 31,100	\$ 27,900
Share of Income	55%	58%	54%

Another issue of concern is the proportion of part-time or full-time workers who are found at the top and bottom of ends of the income distribution. To explore this phenomenon, we define workers to be 'low income' if their income falls below 50 per cent of the median income of *all* paid workers in the sample. Similarly, we define workers to be 'high income' if their income is above 150 per cent of the median income of *all* paid workers in the sample. Among each of unionized

and non-unionized workers, a similar proportion of high income workers are full-time (at 97 per cent) and part-time (at 3 per cent). The major differences by union status emerge among low income workers. Of unionized workers who are low income, only 39 per cent are full-time while 61 per cent are part-time; in contrast, of non-unionized workers who are low income, 56 per cent are full-time and only 44 per cent are part-time. (Refer to Charts 10 and 11.)

Chart 10

Proportion of Full-time Workers at the Top and Bottom of the Income Distribution by Union Status, 1994

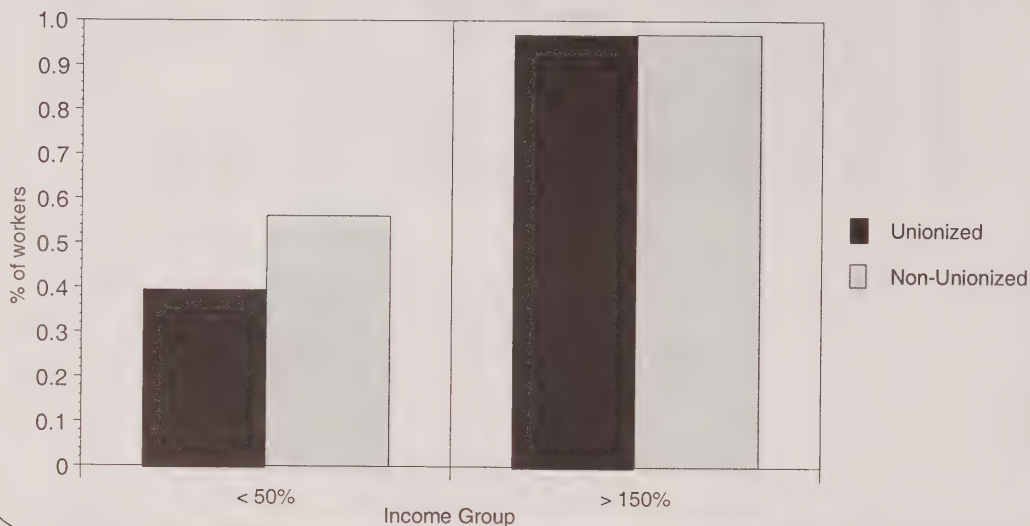
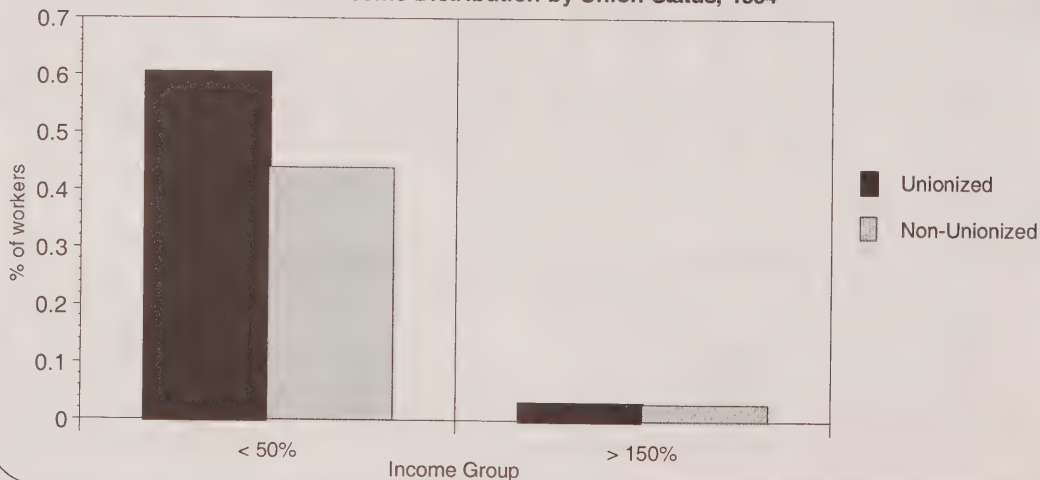


Chart 11

Proportion of Part-time Workers at the Top and Bottom of the Income Distribution by Union Status, 1994



4— Summary and Concluding Observations

In both Canada and the United States, there have been a variety of labour market supply side, demand side, and institutional factors that have affected the increase in income inequality in the economy. Among the various institutional factors affecting income inequality, unions are perhaps the most important. While unions have relative socio-political roles, from an economic standpoint, it is perhaps their direct wage and compensation effects through collective bargaining that have the most impact.²¹ What we do know is that unions do tend to provide a sizeable wage advantage to their members and that they can have positive effects on human capital formation, primarily through their effects on worker training. As a result, unionized workers tend to have higher wages (on average) and, hence, we expect them to have higher income.

Using data for 1994, we examined the income levels of unionized and non-unionized workers across a variety of labour market and personal characteristics and also compared the average earnings of unionized and non-unionized workers at various points of the overall income distribution. A number of key results emerged:

- on average, union workers have higher income than non-union workers. In particular, unionized workers, whether full-time or part-time, do better than do non-unionized workers. Also, unionized females have significantly higher income than do non-unionized females;
- unionized workers tend to benefit workers at the lower to middle education and skill levels, while non-unionized workers have higher income, on average, at the higher education and skill levels;
- while unionized workers have higher income across all regions of the country, the union income

advantage does vary across regions; further, unionized workers have, on average, higher income in all industries except 'finance, insurance and real estate', and the largest advantage occurs in the 'primary' and 'construction' industries;

- the ability of unions to raise the income of their members is greatest in the lower and middle levels of the overall income distribution, while workers at the very top end of the income distribution tend to do better if they are non-unionized; and
- among low income unionized workers, most are employed part-time; in contrast, among low income non-unionized workers, the majority are employed full-time.

The results, taken together, suggest a portrait in which unions are associated with higher income levels for the workers they represent. Unions also benefit employees with characteristics that have been associated with an earnings (and income) disadvantage, including part-time and women workers, and more generally, employees at the lower ends of the education and skill distribution. This is very consistent with our finding that the greatest effect of unions in raising the income of their members occurs at the lower and middle levels of the overall income distribution, suggesting that they are, indeed, an equalizing institution.

While it is the case that unions and union membership have been in decline in several western industrialized countries, perhaps most notably in the United States, unions have remained relatively robust in Canada. This appears to be largely the result of fairly supportive labour public policy that, in turn, appears to be underpinned by a fairly high degree of broader public interest in collective representation through unionism. The results presented in this paper suggest that Canadian unions continue to improve the relative income of their members and to serve to reduce economic inequality.

²¹ In addition, unions can also have a broader socio-political influence on factors that, in turn, affect workers' economic well-being, through their support for social policies or economic programs that affect workers (e.g., support for a more generous employment insurance program or policies that affect the working poor).

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NEW DEVELOPMENTS IN BRITISH ANTI-DISCRIMINATION LEGISLATION

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Introduction

Canada's commitment to the principles of employment equity is one which is shared by Great Britain. While both countries have developed different legislative frameworks to ensure equality in the workplace, their efforts are similarly premised on the common belief that no person should be denied employment opportunities or benefits for reasons unrelated to ability. **(A comparison of the major provisions of the federal *Employment Equity Act* and British anti-discrimination legislation is in the Annex.)**

In Canada, guarantees of equality in the workplace can be found in complaint-based human rights statutes which exist at both the federal and the provincial levels. Under human rights legislation, discriminatory practices are prohibited in a number of areas, including employment.

A more proactive approach to the promotion of equal opportunities is embodied in the federal *Employment Equity Act*. As the primary legislative tool for supporting and promoting equality in the federal workplace, the *Employment Equity Act* aims to identify and eliminate barriers to the employment of four designated groups: women, persons with disabilities, members of visible minorities and Aboriginal peoples.

In contrast, guarantees of equality in British workplaces find their basis in three broad-ranging anti-discrimination statutes, each one covering a separate regime:

- **gender** – the 1975 *Sex Discrimination Act*;
- **race** – the 1976 *Race Relations Act*; and
- **disability** – the 1995 *Disability Discrimination Act*.

None of these acts focus on employment exclusively. They extend their scope to include the provision of goods and services, as well as education and housing. Policy responsibility for the employment

provisions of each of these acts rests with the Department for Education and Employment; however, each statute operates very much independently of the others with its own enforcement or advisory body and particular geographical arrangements. (Whereas the *Sex Discrimination Act* and the *Race Relations Act* apply to Great Britain (Britain, Scotland and Wales), the *Disability Discrimination Act* applies to the United Kingdom (Britain, Scotland, Wales AND Northern Ireland).

While this multiple-statute framework differs significantly from that in place in Canada, recent developments make British anti-discrimination legislation a worthy subject of study. Changes, both proposed and actual, to the present legislative framework in Great Britain represent an effort to not only keep pace with a number of emerging concerns but to also respond to the changing needs of the three target populations: women, ethnic minorities and persons with disabilities.

1 — Sex Discrimination Act 1975

Overview

Under Great Britain's *Sex Discrimination Act*, a person discriminates against a woman if the woman is treated less favourably than a man or if she is subject to a condition or requirement which puts her at a disadvantage because she is less likely to be able to comply with it than a man. An example of such a requirement or condition would be a fitness test which applies the same standards to a woman and a man without taking into account inherent differences between the sexes in terms of strength and speed.

The Act therefore recognizes the validity of claims of both direct and indirect discrimination. Indirect discrimination occurs even when a condition or requirement seems to affect men and women

equally yet, in practice, it disadvantages a far greater proportion of one sex. The legislation also recognizes discrimination by way of victimization which involves penalizing an individual because that person has, for example, asserted rights under sex discrimination legislation or has helped another person to assert such rights.

Under the legislation, sex discrimination is prohibited in employment, vocational training, education, advertising, housing, and in the provision of goods, facilities and services. The areas of employment and advertising are unique, however, in that the Act provides for additional protection in these realms on the basis of marital status. It is not, however, unlawful to discriminate against a single person on grounds of being single.

Sex discrimination is outlawed in the public and private sectors, in all areas relevant to employment, regardless of the number of persons employed. This is in marked contrast to the threshold established under the Canadian *Employment Equity Act* whereby only private and public sector employers with 100 or more employees fall within its scope. Discrimination is prohibited as follows:

- **Discrimination by employers against applicants** – in the arrangements made for the purpose of determining who should be offered that employment, in the terms on which the employment is offered, or by refusing or deliberately omitting to offer employment;
- **Discrimination by employers against employees** – in affording access to opportunities for promotion, transfer or training, or to any other benefits, facilities or services, or by refusing or deliberately omitting to afford access to those opportunities;
- **Discrimination in partnerships** (firms consisting of six or more partners) – in offers of partnerships or omissions thereof, removal from that position, and access to benefits, facilities or services;
- **Discrimination by trade unions** – by organizations of workers or employers with regard to membership and other benefits;
- **Discrimination by qualifying bodies** – in conferring an authorization or qualification which is needed for, or facilitates, engagement in a particular profession or trade;

- **Discrimination by vocational training bodies** – in access to courses or facilities; and
- **Discrimination by employment agencies** – in employment or other services of the agency such as career guidance and training.

Also prohibited under the employment provisions of the Act is sexual harassment. Sex discrimination legislation holds employers liable for their employees' actions, including incidents of sexual harassment.

Responsibility for the administration, review and enforcement of the *Sex Discrimination Act* rests with the Equal Opportunities Commission. Created by the British Parliament in 1976, the Commission is a statutory and independent body charged with the broad mandate of working towards the elimination of sexual discrimination. With an annual budget in excess of six million pounds (approximately \$14.3 million Canadian) (Jain, Harish C. and Angus Bowmaker-Falcon (1998)), the Commission has the power to provide advice, assistance and representation for individual complainants; it recognizes that complainants often need advice on the practical meaning of the law, protection from victimization and aid in the preparation of a legal claim, obtaining evidence and evaluating defences. It also conducts formal investigations, issues non-discrimination notices, prepares codes of practice and conducts research for the purposes of informing policy development and recommendations. If in the course of a formal investigation the Commission becomes satisfied that an employer has committed a discriminatory act, it may serve a non-discrimination notice on that employer requiring him or her not to commit any such act.

While the Commission is responsible for the administration, review and enforcement of the *Sex Discrimination Act*, adjudication responsibilities similar to those undertaken by the Canadian Employment Equity Review Tribunal rest with industrial tribunals.

Sex Discrimination in the 1990s

As is the case in many industrialized nations, the number of women in employment in Great Britain has increased steadily over the past 15 years. Significantly, as women's participation in the labour market has increased, so too has the number of sex discrimination cases being filed with the Equal Opportunities Commission.

The Commission's 1998 Annual Report reveals that it receives a high number of complaints and inquiries about sexual harassment. In 1998, the Commission received more than 700 inquiries about sexual harassment, representing more than 10 per cent of the total casework.

In terms of other Equal Opportunities Commission-assisted sex and pay discrimination cases, there were 30 complaints concluded during 1998. Of these, eight won, four lost and 18 were settled. The total paid in compensation to applicants was almost 300,150 pounds (approximately \$717,900 Canadian) with an average of 15,007 pounds (approximately \$35,894 Canadian) per applicant.

With the lifting of compensation limits and the growing awareness of employee rights regarding sexual discrimination, individuals are increasingly coming forward to place complaints and make enquiries. A total of 3,433 cases were brought to the industrial tribunal under the *Sex Discrimination Act* in 1997-98, a figure which has fluctuated between 2,880 and 4,788 over the past six years.

Recent Developments

While important advancements have been made in terms of levels of representation of women in the British workforce, some of the fundamental barriers to true sex equality remain (e.g., occupational segregation). Fortunately, a number of recent developments have the potential to impact significantly upon the structure and scope of the legislation.

1. Recommendations for a new sex equality law – On January 21, 1998, the Commission unveiled its proposals for a new "super law". It claims that Britain urgently needs to update its sex equality legislation through the creation of a single simple framework. The proposals for change represent a new focus in which strengthened individual rights are complemented by new responsibilities placed on employers and public authorities.

Key proposals deal with the following issues:

- **Equal Treatment and Fundamental Human Rights** – the *Sex Discrimination Act*, the *Equal Pay Act* and other relevant laws should be replaced by a single sex equality act. The new statute should incorporate European Community Law and

should be based on the *Principle of Equal Treatment*. This Principle can be found in the Treaty of Rome's Equal Treatment Directive.

- **Discrimination** – the new statute should ensure that the "burden of proof" in discrimination cases meets the requirements of the European Community Council Directive on the Burden of Proof whereby if there appears to be evidence of discrimination, the onus is on the *organization* to demonstrate that equal treatment has been provided. It is widely believed that shifting the burden will improve access to justice. In many cases, people who feel they have been discriminated against find it difficult to "prove" discrimination because they cannot get access to an organization's records. The Equal Opportunities Commission feels that, in the interests of fairness, the organization should shoulder the burden of proof.

- **Rights in Employment** – employers, with the exception of private households, should be required to monitor their workforce in terms of gender, job-title or grade, and rates of pay of their employees on at least an annual basis. This proposal mirrors provisions contained in Canada's *Employment Equity Act* 1996. Furthermore, contractors seeking a contract or financial aid from central or local governments should be required to show that they monitor their workforce in the same manner. This would be a program along the lines of Canada's Federal Contractors Program.

2. Women in the armed force – The army recently increased posts open to women from 47 to 70 per cent of all job opportunities. It must be noted, however, that one-third of the positions still remain closed to women on the grounds of "combat effectiveness".

3. Protections for transsexuals – Employment protections under the *Sex Discrimination Act* were recently extended to include transsexuals. The term "transsexual" applies to an estimated 5,000 people in the United Kingdom. In response to the European Court of Justice Ruling that discrimination against transsexuals is contrary to the European Equal Treatment Directive, the British Government introduced the *Sex Discrimination (Gender Reassignment) Regulations* 1999. Under these regulations, the Equal Opportunities Commission

has been empowered to publish a Code of Practice which will provide practical guidance and recommend good practice for employers dealing with transsexualism in the workplace. These protections do not extend beyond the field of employment. As such, the legality of discrimination against transsexuals in fields such as education and access to goods, facilities and services remains unclear. The Equal Opportunities Commission supported a sex discrimination claim on behalf of a transsexual which began in 1993. An Industrial Tribunal referred the case to the European Court of Justice to decide whether discrimination against a transsexual was contrary to European law. On April 30, 1996, the European Court of Justice ruled that it was unlawful to discriminate against a person on the grounds of his or her gender reassignment. This landmark decision was the first anywhere in the world to give transsexual people employment protection.

2— *Race Relations Act 1976*

Overview

The *Race Relations Act 1976* prohibits discrimination on the grounds of colour, race, nationality, and ethnic or national origins. Discrimination on grounds of language, social origin or political opinion is not covered in Britain. However, "ethnic origin" has been interpreted broadly, to mean a segment of the population distinguished from others by a sufficient number of shared customs, beliefs, traditions and characteristics derived from a common past so as to give them an historically determined social identity e.g., Jews, Sikhs and gypsies. Other religious groups may bring complaints under the Act if the discrimination they experience amounts to indirect discrimination against a particular racial group.

The Act makes racial discrimination unlawful in respect of employment, education, training, housing and the provision of goods, facilities and services. Application of the legislation extends to both the public and private sectors.

With regard to protection in the realm of employment, the Act covers all enterprises, regardless of size, all employees and all aspects of employment, including recruitment, selection, promotion, transfer, training, pay and benefits, redundancy, dismissal and hours of work. To a large extent, these provisions mirror the employment provisions contained within the 1975 *Sex Discrimination Act*.

The 1976 Act addresses the practice of indirect or institutionalized discrimination which results from past and present disadvantage. The segregation of a person from others on racial grounds is a further form of prohibited discrimination, as is victimization. While racially motivated acts or threats of violence are covered by criminal law, racial harassment and racial abuse may, in certain circumstances, also amount to racial discrimination under the Act. The *Race Relations Act 1976* does not use the term "racial harassment", but industrial tribunals are increasingly willing to conclude that racial harassment and abuse at work is "less favourable treatment on racial grounds" and therefore constitutes unlawful racial discrimination. As with sexual harassment, employers are responsible for protecting their employees from racial harassment, whether they are subjected to it by employees or third parties.

Responsibility for the administration, review and enforcement of the *Race Relations Act* rests with the Commission for Racial Equality. The Commission was set up under the 1976 *Race Relations Act*, as a publicly funded, independent organization with the mandate of tackling racial discrimination and promoting racial equality. Its present budget stands at approximately 15 million pounds (\$35.8 million Canadian), twice the amount allocated to the Equal Opportunities Commission for administering the *Sex Discrimination Act*.

The Commission for Racial Equality shares common ground with the Equal Opportunities Commission in that the acts by which they were established, those of 1976 and 1975 respectively, provide similar powers and duties and similar roles regarding enforcement.

Under the 1976 Act, the Commission for Racial Equality has three main statutory duties. In addition to its obligation to work towards the elimination of racial discrimination and the promotion of equality of opportunity, the Commission must also encourage good relations between people from different racial backgrounds. Furthermore, it must also monitor the compliance with the Act and recommend ways in which it can be improved.

While the Commission has the legal power to conduct formal investigations of companies and organizations where there is evidence of possible discrimination, the exercise of legal powers alone does not fulfill its statutory duties. In order to meet

these obligations, the Commission also undertakes the following activities: issues codes of practice and racial equality standards, advises employers and training bodies with regard to best practices and compliance with the legislation; keeps policy makers, national bodies and the media informed of developments; supports research into race issues; and runs public education campaigns. The Commission's experience has been that the codes of practice have only had a limited amount of success so the Commission has decided to draw up equality assurance standards which actually translate equality into action. The standards set out realistic and measurable criteria which lead to results.

While there is no denying that the Commission plays a pivotal role in the promotion, monitoring and delivery of the Act, a great deal of responsibility is nonetheless placed at the level of the individual complainant. If a person believes that he or she has been discriminated against at work, that individual has the right to take his or her employer to the

industrial tribunal where the onus is on the complainant to prove his or her case.

Race Relations in the 1990s

The 1990s have seen an increase in the ethnic composition of industrialized populations. In Britain, at the time of the last census in 1991, just over three million or 5.5 per cent of the country's 55 million people did not classify themselves as white.

Most immigrants today come from other parts of Europe, or are work permit holders, mainly coming from the United States and Japan. Since the end of the Second World War, refugees have come from a variety of countries such as Hungary, Chile, Cyprus, Argentina, Somalia, Lebanon, Vietnam and Nigeria.

Britain's ethnic minority communities are typically characterized by high levels of unemployment. As of May 1999, the employment rate for all ethnic minorities was 57 per cent. It should be noted however, that there is considerable variance

Table 1
Ethnic Composition of the Population of Great Britain, 1991

	Number	Total population (%)	Born in United Kingdom (%)
Total population	54,888,844	100.0	93
White	51,873,794	94.5	96
Ethnic minorities	3,015,050	5.5	48
Black Caribbean	499,964	0.9	53
Black African	212,362	0.4	36
Black other	178,401	0.3	84
Indian	840,255	1.5	42
Pakistani	476,555	0.9	50
Bangladeshi	162,835	0.3	37
Chinese	156,938	0.3	28
Other Asian	197,534	0.4	22
Other-other	290,206	0.5	40

Note: The Commission for Racial Equality now recommends that the Irish population now be added as an additional ethnic category.

Source: Commission for Racial Equality Factsheets: *Ethnic Minorities in Britain*.

between, for example, black Caribbeans (67 per cent) and Bangladeshis (37 per cent), and, within these groups, between men and women.

Forecasts indicate that within 20 years, members of ethnic minorities will make up approximately ten per cent of the population, a share which is not expected to change significantly in the following years.

While progress has been uneven, it must nevertheless be acknowledged that throughout the years, race relations legislation has enabled thousands of people to challenge discriminatory treatment. A total of 2,518 cases were brought before Employment Tribunals in England and Wales in 1997-98 under the *Race Relations Act*.

In 1998, the Commission received 1,657 applications for assistance, indicating little change from the previous year. Complaints relating to employment fell by approximately six per cent, but continued to make up two-thirds of all applications. The majority of complaints relating to employment alleged direct discrimination on racial grounds: 341 were related to dismissal, 149 to recruitment, 77 to promotion and 727 to some other detriment (Commission for Racial Equality (1999)).

Recent Developments

Over the course of the past year, race relations in Britain have risen to the top of the political agenda. In the face of continuing racism and racial discrimination, major reforms are being proposed, new initiatives are being introduced and new bodies are being established.

1. Commission for Racial Equality 1998 Review of the *Race Relations Act* – The Commission has a statutory duty to keep the *Race Relations Act* under review and to make recommendations to government if it thinks changes are necessary. The Commission carried out its first review of the Act in 1985 and submitted it to the Home Secretary but no response was ever received. In 1992, the Commission submitted its second review and in 1994, a full response was received, effectively rejecting nearly every one of its proposals.

The third review, which was submitted to the Home Secretary on April 30, 1998, builds on the work of earlier reviews but also recognizes important legal and political changes such as the growing

importance of European Community Law. In his response, the Home Secretary agreed without reservation to many of the Equal Opportunities Commission's recommendations, although in most instances no clear indication was given as to when they are to be included in the legislation.

The Home Secretary has agreed with the following Commission for Racial Equality proposals:

- **Duties of public bodies** – All public bodies should have a specific duty under the Act to work for the elimination of racial discrimination and to promote equality of opportunity and good race relations between people from different racial groups. As part of this duty, public bodies should: monitor both employment and service delivery by ethnic group; report annually on how they have fulfilled their racial equality duties; include equality terms in their external contracts and funding agreements; and consider the implications for racial equality of all their policies or actions. The Commission for Racial Equality is recommending that employer obligations, the likes of which already exist under Canada's *Employment Equity Act*, be adopted in Great Britain.
- **Indirect discrimination** – A new definition should be adopted which would enable the applicant to establish indirect discrimination without having to rely on statistics or establish a suitable pool for comparison (as is currently the case); and
- **Legally binding undertakings** – If the respondent admits discrimination and agrees to take remedial action, the Commission for Racial Equality should be able to obtain a legally binding undertaking from the respondent that such action will be taken according to a specified timetable. This was the single proposal in the Second Review of the *Race Relations Act* that was not opposed by the previous Home Secretary. During the period 1994-97 discussions with the Home Office failed to produce legislation for this purpose.

There are a number of other proposals in the Third Review to which the Home Secretary gives conditional support. These include:

- **Positive action** – The Commission for Racial Equality recommends that the Act clearly specify what positive action is permitted, and that it should include: training for the exclusive benefit of members of a particular racial group; reserved

places on non-exclusive courses; training bursaries; on-the-job training and apprenticeship training for up to two years; and

- **Widening the scope** – The Act should provide protection for volunteers, office holders and contractors who provide staff. While the Home Secretary sees merit in an amendment regarding protection for volunteers, he has not commented on the situation of office holders and contractors who provide staff.

The Home Secretary has not accepted the need at present for the following proposals:

- **Ethnic monitoring** – It should be made compulsory for all employers with more than 250 employees; and
- **Employment in the public service** – The Commission for Racial Equality recommends the modification or removal of the blanket exemption which permits all employment for the Crown and for prescribed public bodies to be restricted to people of particular birth, nationality, descent or residence. The Home Secretary has indicated that this requires separate legislation and would therefore, not be appropriate as an amendment to the *Race Relations Act*.

There remain a substantial number of Commission proposals on which the Home Secretary has not commented. Without comment, it is not known whether the following proposals have been rejected or whether they are still under consideration:

- **Genuine occupational qualifications** – The Commission recommends that this exemption apply only where the employer can demonstrate that the employee's racial group is an essential, defining feature of the job;
- **Remedies from tribunals** – Industrial tribunals should have wider power to make recommendations on the future conduct of a respondent, including how the applicant should be treated and what steps should be taken to change the policies and practices which gave rise to the complaint; and
- **Class action** – Tribunals should have the power to consider a group complaint, instead of requiring each person to bring separate proceedings. There is a possibility that this change may come about

through amendment of civil justice procedures without the need to amend the *Race Relations Act*.

2. The creation of the Race Employment and Education Forum

Established in October 1998 by the Department for Education and Employment, the Forum functions as a race advisory body. It considers and advises on matters relating to the progress of ethnic minorities in the labour market, including the interface between employment, education and training. As its first priority, the Forum has identified the need to ensure that small and medium-sized businesses – the fastest growing source for new jobs – operate effectively as equal opportunity employers.

The Forum was initially envisaged as but one component of the government's New Deal strategy. The New Deal is a key part of the Government's Welfare to Work strategy. It gives jobseekers the chance to develop their potential, gain skills and experience and find work. The Forum fits in nicely with the Government's action plan to encourage more Black and Asian employers to get involved in the New Deal. The action plan, which follows consultation on the New Deal strategy for engaging ethnic minority jobseekers and businesses, sets out action at national and local levels and throughout partnerships to ensure that the needs of ethnic minorities are taken into account in the planning and delivery of the New Deal.

3. The Commission for Racial Equality's Leadership Challenge

Launched in early 1999, this initiative invites heads of organizations in all sectors of public life to give a personal lead in promoting the principle of racial equality and taking the practical action that will make it a reality. As of February 1999, the Challenge had been taken up by over 150 key individuals in the public, private and voluntary sectors.

4. Macpherson Report

On February 24, 1999, the *Macpherson Report of the Stephen Lawrence Inquiry* was published. The Report is an examination into the highly publicized handling by the police of the 1993 death of Stephen Lawrence, a student who was murdered by a group of white youths at a bus stop in Eltham, South London; the attack was unprovoked and racially-motivated. While not directly related to racial discrimination in employment, the release of the Macpherson Report has broad implications for race relations in all spheres of life.

The report found the police to have been incompetent and "institutionally racist", and consequently, the author challenged all citizens of Great Britain, not just the police service, to tackle discrimination wherever it is found.

Excerpt from the *Macpherson Report of the Stephen Lawrence Inquiry*

"It is incumbent on every institution to examine their policies and the outcome of their policies and practices to guard against disadvantaging any section of our communities. ... There must be an unequivocal acceptance of the problem of institutional racism and its nature before it can be addressed, as it needs to be, in full partnership with members of minority ethnic communities". (Commission for Racial Equity (1999)).

The recognition of the extent and nature of the problem of institutional racism, discrimination and prejudice in the British society shown in the Report marks a new stage in dealing with these problems. The Report's findings are a reminder to every organization and employer that good policies on paper are only the first step and that in order for these policies to be effective, they must be implemented and monitored throughout the organization.

3 — Disability Discrimination Act 1995

Overview

The 1995 *Disability Discrimination Act* establishes rights for persons with disabilities in the areas of employment, transportation, education, the provision of goods and services, and buying or renting land and property.

The employment provisions contained within the Act apply to the public sector and all private sector employers with 15 or more employees, making it unlawful for them to discriminate against current or prospective workers with disabilities. These employers are prohibited from discrimination in all aspects of employment, including: recruitment and retention; terms and conditions of service; working conditions; promotions and transfers; training and development; pensions; access to benefits; and dismissal. Although the employment provisions of the Act do not apply to employers with fewer than 15

employees, other parts of the Act may apply to such organizations (eg. the provisions concerning access to goods, facilities and services).

At the centre of the legislation lies a definition of disability which gives new rights to people who have or have had a disability which makes it difficult for them to participate in daily life. Under the Act, disability is defined as "a physical or mental impairment which has a substantial and long-term adverse effect on a person's ability to carry out normal day-to-day activities". Mental impairments are included under the Act only if they have been recognized by a respected body of medical opinion. Long-term effects must have lasted or be expected to last for at least 12 months. Conditions which have a slight effect on daily functioning, but are expected to become substantial, are also covered.

Also worthy of examination is the concept of discrimination itself. Under the Act, an employer will be said to discriminate against a person with a disability "if

- a) for a reason which relates to the disabled person's disability, he treats him less favourably than he treats or would treat others to whom that reason does not or would not apply; and
- b) he cannot show that the treatment in question is justified." (Her Majesty's Stationary Office (1995)).

While this definition of discrimination does address acts committed in a direct or overt manner, it does not contain a formula for indirect discrimination. This is in contrast to the definitions laid out in sex and race discrimination legislation, both of which explicitly recognize covert and overt discrimination. However, the Government's position is that the provisions of Part II, Section 4 – Discrimination by Employers – cover discrimination of a covert or institutionalized nature. "The Government clearly intended that indirect discrimination would be prohibited and that this should be underlined by the duty to make reasonable adjustments." (Doyle, Brian (1996)).

Under the Act, employers are mandated to make "reasonable adjustments" in order to accommodate the needs of employees with disabilities. This duty to make adjustments is based on the concept of "reasonable accommodation" contained in both the *Americans with Disabilities Act* and the *Canadian Employment Equity Act*. The duty of reasonable

adjustments applies where any physical feature of the premises occupied by the employer, or any arrangements made by or on behalf of the employer, cause a substantial disadvantage to a disabled person compared with a non-disabled person. Physical features include anything on the premises arising from a building's design or construction or form; an approach to, exit from or access to such a building; and fixtures, fittings, furnishings, equipment or materials. The duty applies to arrangements for determining to whom employment should be offered or any term, condition or arrangement on which employment, promotion, transfer, training or any other benefit is offered or afforded.

Responsibility for the employment provisions of the *Disability Discrimination Act* falls to the Department for Education and Employment. However, the legislation also provided for the creation of a National Disability Council charged with the responsibility of advising the Government on the implementation of the legislation and on matters of discrimination in general.

In conjunction with its statutory duties to advise the Secretary of State on measures to reduce or eliminate discrimination and on the administration of the Act, the Council is required to submit an annual report to Parliament at the end of each financial year and to prepare codes of practice as needed.

It is important to note that, unlike the Commission for Racial Equality and the Equal Opportunities Commission, the National Disability Council does not have the power to investigate individual complaints. While the Council fulfills an important advisory role, it plays no part in the enforcement of the law, nor is it empowered to represent individuals appearing before the employment tribunal.

Persons with disabilities who believe that they have been discriminated against under the employment provisions of the Act may make a complaint to an employment tribunal, however a tribunal hearing may be averted if either party requests that the Advisory Conciliation and Arbitration Service intervene and attempt to mediate a settlement. As with race relations and sex discrimination legislation, the *Disability Discrimination Act* does not provide for class action.

Persons with Disabilities in the 1990s

Persons with disabilities currently account for nearly a fifth of the working-age population in Great Britain, and yet make up only 11 per cent of all people in employment.

New research shows that there have been more cases taken under the employment provisions of the *Disability Discrimination Act* in its first year than there were under the employment provisions of the *Sex Discrimination Act* or the *Race Relations Act* in their first years. By early July 1998, nearly 2,500 employment cases were registered. Sixty per cent of applicants were men and the most common disabilities among applicants were: problems associated with the back or neck; depression, and bad nerves or anxiety.

The majority of these cases involved claims of wrongful dismissal, with only one in ten being a recruitment case. Of those complaints which were heard at tribunal, 16 per cent were successful. At 2,000 pounds (approximately \$4,780 Canadian) the median award figure for *Disability Discrimination Act* cases was substantially lower than for both *Sex Discrimination Act* and *Race Relations Act* cases.

Key findings of a national interview survey of 2,000 disabled people of working age

(Meager, N., P. Bates, S. Dench, S. Honey and M. Williams (July 1998)).

- one in six persons with disabilities who are or have been economically active say that they have experienced discrimination or unfair treatment in a work-related context;
- persons with disabilities from ethnic minorities are more likely to be unemployed than their white counterparts; and
- at 196 pounds per week, the average take-home pay of employees with disabilities is lower than that of non-disabled employees (212 pounds per week).

Recent Developments

Over the course of the past year and a half, the employment provisions of the Act have undergone or are presently undergoing a number of changes aimed at not only increasing the effectiveness but also expanding the scope of the Act.

1. Disability Rights Commission – Expected to commence operation in April 2000, the Disability Rights Commission will replace the existing National Disability Council, a largely advisory body. The Commission will be significantly more powerful than its predecessor in that it will be charged with investigative and other enforcement duties similar to those of the Equal Opportunities Commission and the Race Relations Commission.

2. Better Regulation Task Force on Anti-Discrimination Legislation – The May 1999 Task Force Report highlighted a number of areas of critical importance for immediate action:

- **Definition of "disability"** – The Task Force criticized the lack of a widely-understood shared definition of disability, emphasizing that employers and employees alike need to have greater clarity over definitions which will be used by the tribunals and the new enforcement agency.

- **Exemption Threshold** – Although the exemption threshold of the *Disability Discrimination Act* was recently reviewed and reduced from 20 to 15 employees, the current level still leaves up to 25 per cent of workers outside the scope of the regime. The Task Force, therefore, recommended that the threshold be revisited.

Conclusion

Anti-discrimination legislation cannot remain static, it must be responsive to social and demographic change or risks becoming ineffective. New developments in race relations, gender equality and disability awareness in Great Britain have necessitated that the existing legislative framework adapt in order to meet the changing needs of its target populations. From the recognition of the rights of transsexuals to a growing awareness of institutional racism, to a strengthened enforcement of the rights of persons with disabilities, the scope of anti-discrimination legislation is continuously being redefined.

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Comparison of the Major Provisions of the Federal *Employment Equity Act* and British Anti-Discrimination Legislation

	CANADA	GREAT BRITAIN ¹		
	<i>Employment Equity Act</i> 1995	<i>Sex Discrimination Act</i> 1975	<i>Race Relations Act</i> 1976	<i>Disability Discrimination Act</i> 1995
Purpose	To achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and in the fulfillment of that goal, to correct the conditions of disadvantage in employment experienced by women, Aboriginal peoples, persons with disabilities and members of visible minorities by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.	To render unlawful certain kinds of sex discrimination and discrimination on the grounds of marriage, and establish a Commission with the function of working towards the elimination of such discrimination and promoting equality of opportunity between men and women generally; and for related purposes.	To make fresh provision with respect of discrimination on racial grounds and relations between people of different racial groups; and to make in the <i>Sex Discrimination Act</i> 1975 amendments for bringing provisions in that Act relating to its administration and enforcement into conformity with the corresponding provisions in this Act.	To make it unlawful to discriminate against disabled persons in connection with employment, the provision of goods, facilities and services or the disposal or management of premises; to make provision about the employment of disabled persons; and to establish a National Disability Council.
Designated Groups and related definitions	<ul style="list-style-type: none"> • WOMEN; • ABORIGINAL PEOPLES: persons who are Indians, Inuit or Métis; • PERSONS WITH DISABILITIES: those with any previous or existing mental or physical disability, including disfigurement and includes previous or existing dependence on alcohol or a drug; • MEMBERS OF VISIBLE MINORITIES: persons, other than Aboriginal peoples, who are nonCaucasian in race or nonwhite in colour. 	GENDER Note that all provisions of the Act are to be read as applying equally to the treatment of men.	Under the Act, discrimination is prohibited on the grounds of COLOUR, RACE, NATIONALITY, AND ETHNIC OR NATIONAL ORIGINS. Note that the term "ethnic origin" has been interpreted broadly, to mean a segment of the population distinguished from others by a sufficient number of shared customs, beliefs, traditions, and characteristics derived from a common past so as to give them an historically determined social identity, so covering groups like Jews, Sikhs and gypsies.	DISABLED PERSONS <i>Disability</i> is defined as a physical or mental impairment which has a substantial and long-term adverse effect on an individual's ability to carry out normal day-to-day activities. This definition includes past disabilities and people with severe disfigurement.
Scope	The <i>Employment Equity Act</i> makes it unlawful to discriminate in employment.	The <i>Sex Discrimination Act</i> makes it unlawful to discriminate in employment , education, advertising or when providing housing, goods, services or facilities. It is unlawful to discriminate because someone is married, in employment or advertisements for jobs.	The <i>Race Relations Act</i> protects people from racial discrimination in employment , education, housing, and the provision of goods, facilities and services.	The <i>Disability Discrimination Act</i> establishes rights for disabled persons in the areas of employment , the provision of goods and services, buying or renting land and property, transportation and education

— continued —

¹ Please note that the term "Great Britain" encompasses Britain, Scotland and Wales, whereas the term "United Kingdom" encompasses Britain, Scotland, Wales AND Northern Ireland.

**Comparison of the Major Provisions of the Federal *Employment Equity Act*
and British Anti-Discrimination Legislation
(continued)**

	CANADA	GREAT BRITAIN ¹		
	<i>Employment Equity Act 1995</i>	<i>Sex Discrimination Act 1975</i>	<i>Race Relations Act 1976</i>	<i>Disability Discrimination Act 1995</i>
Coverage	The Act applies to federally-regulated employers and Crown corporations with 100 or more employees , as well as all federal departments, agencies and commissions. The Royal Canadian Mounted Police and the Canadian Forces will be covered upon order of the Governor-in-Council following the development of regulations adapting provisions of the Act and <i>Regulations</i> to ensure operational effectiveness.	The Act applies to the whole of Great Britain. Sex discrimination is outlawed in both the public and private sectors and all employers are covered, regardless of the number of persons employed. Nothing in the Act renders unlawful discrimination in admission to the Army Cadet Force, Air Training Corps, Sea Cadet Corps or Combined Cadet Force, or any other cadet training force administered by the Ministry of Defence.	The Act applies to the whole of Great Britain. With regard to protection in the realm of employment, the Act covers all employers , no matter how large or small, in both the public and the private sectors . The Act does, however, contain a blanket exemption whereby all employment for the Crown and for prescribed public bodies may be restricted to people of a particular birth, nationality, descent or residence if this is done in compliance with an Act of Parliament, or the orders of a government minister. Furthermore, nothing shall render unlawful an act done for the purpose of safeguarding national security.	The employment provisions of the Act apply to public and private sector employers in Great Britain and Northern Ireland with 15 or more employees . The Act does not, however, apply to operational staff employed in the armed forces, the police, the prison services, the fire services, or to anyone employed on board ships, hovercrafts or airplanes.
Enforcement	The Canadian Human Rights Commission has been given the mandate to monitor and ensure compliance through on-site audits. An Employment Equity Review Tribunal has been created to ensure final enforcement of the Act where necessary. Tribunal orders can be registered with the Federal Court.	The Equal Opportunities Commission is a statutory and independent body charged with the mandate of providing advice, assistance and representation for individual complainants. The Commission also has the power to conduct formal investigations. Adjudication responsibilities lie with industrial tribunals.	The Commission for Racial Equality is a publicly funded, independent organization charged with the mandate of providing advice, assistance and representation for complainants of racial discrimination, harassment or abuse. The Commission also has the power to conduct formal investigations. Adjudication responsibilities lie with industrial tribunals.	A new Disability Rights Commission is slated to commence operation in April 2000. The Disability Rights Commission will replace the existing National Disability Council, which currently fulfills a largely advisory role. The Disability Rights Commission will be a significantly more powerful body in that it will be charged with investigative and other enforcement duties similar to those of the Equal Opportunities Commission and the Commission for Racial Equality.

¹ Please note that the term "Great Britain" encompasses Britain, Scotland and Wales, whereas the term "United Kingdom" encompasses Britain, Scotland, Wales AND Northern Ireland.

MERIT AWARD PROGRAM FOR INITIATIVES IN EMPLOYMENT EQUITY

Michael Paliga

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Employment Equity Act – Federal Jurisdiction

The purpose of the Act is to achieve equality in the workplace for women, Aboriginal peoples, persons with disabilities and members of the visible minorities. In the fulfillment of that goal, employers are asked to correct disadvantages in employment experienced by the designated groups by giving effect to the principle that employment equity means not only that they must treat people the same way, but also that they must take special measures and accommodate differences.

The core obligations of the employers implementing employment equity are to survey their workforce to collect information on the number of members of designated groups, to carry out a workforce analysis to identify any underrepresentation of members of designated groups, to review their employment systems, policies and practices to identify employment barriers, and to prepare an employment equity plan that outlines what their organization will do to both remove barriers and institute positive policies and practices. The plan must include a timetable and establish short- and long-term numerized goals. The Canadian Human Rights Commission has the authority to carry out on-site audits to determine whether the employers have met these obligations.

The Act states that federally regulated employers in the private sector and Crown corporations with 100 or more employees must also report annually to the Minister of Labour on their progress in achieving a representative workforce. A provision of the Act allows the government to fine an employer who fails to file an employment equity report, or who fails to include any information that is required, or provides false or misleading information in the report.

Federal Contractors Program

The Program requires employers who do business with the Government of Canada to achieve and maintain a fair and representative workforce. It requires

companies that employ 100 or more people, and which obtain goods and services contracts valued at \$200,000 or more, to implement an employment equity plan that meets the program criteria. The 1996 *Employment Equity Act* ensures that the program requirements, with regard to implementation of employment equity, will be equivalent to those of employers under the Act.

Merit Award Program

Through the Federal Contractors Program and the *Employment Equity Act*, employers have made special efforts to achieve a workforce that is representative of the Canadian population. To honour their efforts, the Government of Canada introduced a merit award program in 1990. The Employment Equity Merit Award Program is administered by the Federal Contractors Program within the Labour Program of Human Resources Development Canada. The Merit Award Ceremony is organized jointly with the Conference Board of Canada. The Ceremony itself is a key event in the Conference Board of Canada's annual "Compensation and Human Resources Conference".

The Employment Equity **Vision Award** and **Certificate of Merit** are presented to organizations in recognition of their special achievements in employment equity. Those winners recognize that sound human resource planning and employment equity are rooted in a management philosophy that sees respect for employees and workplace improvements as the key to improved organizational performance.

The **Vision Award** is presented in recognition of creative and innovative approaches to the implementation of equity and fairness in the workplace. The **Vision Award** comes in the form of a bronze statue designed and produced by a Canadian Aboriginal artist, David M. General, from the Six Nations Indian Reserve of Ontario.

The **Certificate of Merit** recognizes organizations for special and continuing efforts towards attaining a representative workforce. The **Certificate of Merit** is a framed replica of the Vision statue with inscription of the company's name.

Since 1990, 25 statues have been attributed and 70 certificates of merit have been given out to many of the country's top organizations.

Winners are selected by a committee consisting of private sector employment equity practitioners and representatives from the previous year award winners. The session is facilitated by an officer from Labour Standards and Workplace Equity. The panel of judges also includes one regional representative from the Labour Program.

The Merit Awards and Certificates of Merit were presented on November 1, 1999 by the Assistant Deputy Minister-Labour Program, Warren Edmondson, at the Conference Board of Canada's annual "Compensation and Human Resources Conference".

1999 Vision Award Winners

Andersen Consulting

Andersen Consulting has more than 65,000 employees in 48 countries, including 1,300 professionals in Canada. This global management and technology consulting organization is working hard to create a brighter future for women, visible minorities, Aboriginal peoples and persons with disabilities.

Andersen Consulting's inclusive corporate culture reflects a company-wide commitment to meet the needs of an increasingly diverse workforce. This commitment to equity is reflected in the Braille business cards used by the company's recruiters, and in harassment awareness and diversity training programs. It has inspired mentoring programs to enhance career development and retain women in senior management. It has led to a special internship program that offers Aboriginal high-school students an opportunity to gain hands-on experience in a consulting environment over the summer. Andersen Consulting's commitment stands behind the company's redesigned work stations and the special technologies and full-time attendant support services that are breaking down employment barriers for persons with disabilities.

Flexible work schedules, part-time employment opportunities and generous provisions for maternity leave are further evidence of the many ways Andersen Consulting is at work for employment equity every day of the year.

Husky Oil Limited

With headquarters in Calgary, Alberta, Husky Oil is an integrated oil and gas company with more than 1,700 employees. In 1995, Husky's board of directors approved policies on equity, diversity and harassment. A standing committee of the board was established to oversee these and other equity initiatives and to receive annual progress reports.

These early achievements earned Husky an Employment Equity Certificate of Merit in 1997. The company has never looked back. Today, the principles of employment equity are an integral part of the organizational fabric at Husky.

The company uses an employee-driven relationship management approach to make the link between Husky operations and the interests of neighbouring Aboriginal communities. Other initiatives include an Aboriginal education program which provides funding for post-secondary education and secondary school upgrading. Husky's Bridging Program introduces women to non-traditional jobs. A summer camp provides development opportunities for the children of working parents. An innovative employment program provides on-the-job experience for people with disabilities.

The key to Husky's success? Employee involvement at every level. Valuing equity and diversity is simply how Husky employees go about their business – within the company, and in the communities where they live.

University of Windsor

The University of Windsor, Ontario, won an Employment Equity Certificate of Merit in both 1997 and 1998. This year's Vision Award speaks to the pioneering efforts of this diverse community and its success in breaking down the barriers to both employment and learning.

A review committee and presidential commission promote equity in faculty hirings. Dozens of volunteer assessors help to ensure that appointments conform

to both the letter and the spirit of the university's equity policy. Meanwhile, a coordinating committee has begun a comprehensive review of the university's other hiring policies and practices.

Elsewhere, senior university administrators have opened a dialogue with the First Nations of Southwestern Ontario. Through visits to neighbouring Aboriginal communities, they are building linkages, obtaining advice and consulting with community leaders on ways to improve Aboriginal representation in the university's workforce.

The university's Aboriginal Education Centre; women's studies programs; offices for Special Needs, Human Rights and Employment Equity; and a cooperative daycare centre are other examples of the many ways the University of Windsor is making

equity and diversity come to life for its students, faculty and staff.

1999 Certificates of Merit

Certificates went to three organizations for special activities in support of attaining a representative workforce. The 1999 recipients are: **Air Canada**, **Rogers Cantel Inc.** and **Shell Canada Limited**.

The organizations honoured this year by the Labour Program of Human Resources Development Canada understand the benefits of making the best use of Canada's human resources. These employment equity practitioners have stepped beyond traditional approaches to human resources management by fostering organizational cultures that not only manage diversity, complexity and change, but also capitalize on these same qualities.

Vision Awards

1998

- Eli Lilly Canada Inc.
- Knoll North America Corp.
- Saskatchewan Wheat Pool

1997

- Carrier Canada Limited
- General Motors of Canada Limited
- Microsoft Canada Co.
- The University of British Columbia

1996

- 3M Canada Co.
- Manitoba Hydro
- Proctor and Gamble Inc.

Certificates of Merit

1998

- Atlantic Tractors and Equipment Limited
- IBM Canada Ltd.
- Queen's University
- University of Windsor

1997

- Andersen Consulting
- Canada Post Corp.
- General Motors of Canada, Diesel Division
- Husky Oil Ltd.
- ORTECH Corporation
- Rogers Broadcasting Limited
- Sun Life Assurance Company of Canada
- National Life Assurance Company of Canada
- University of Windsor

1996

- Coopers and Lybrand
- Eli Lilly Canada Inc.
- Global Upholstery Co. Inc.
- Great-West Life Assurance Co.
- Inglis Limited
- Northern Telecom Limited
- Royal Bank
- National Life Assurance Company of Canada
- University of New Brunswick

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RAISING THE BAR: BARGAINING INTO THE 21ST CENTURY CANADIAN AUTO WORKERS' OFFICIALS SHARE THEIR BARGAINING STRATEGIES AND OUTCOMES WITH THE LABOUR PROGRAM

*Nancy Porter, Collective Bargaining Specialist
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Labour Program, Human Resources Development Canada*

On November 18, 1999, employees of Human Resources Development Canada's Labour Program were invited to an exclusive presentation. Canadian Auto Workers President, Buzz Hargrove, and Assistant to the President, Peggy Nash, agreed to share the important outcomes of recent contract talks with the three major employers in Canada's automobile industry: Ford Motor Company of Canada, Limited (contract signed in September 1999), and DaimlerChrysler Canada Limited and General Motors of Canada (contract signed in October 1999). Their talk focused on the successful negotiation of contract language for employees with lives both in and beyond the workplace, notably in the areas of work/family balance and income/employment/pension security.

These achievements coincided with several government and Labour Program priorities concerning children, knowledge, youth, health and the environment, outlined in the October 1999 Speech from the Throne. In fact, the day Mr. Hargrove and Ms. Nash spoke, they had presented their union's position for a national child care program to the National Children's Agenda Caucus Committee.

Significant wage increases, excellent pension and health benefit improvements, inflation protection, more paid time off! Plus breakthrough employer contributions to child care and to post-secondary education for employees' families! How did they dare to dream of it? What did they do to achieve it?

Both Mr. Hargrove and Ms. Nash referred to the Canadian Auto Workers' social union tradition. Social unionism recognizes that members are whole human beings with lives within and beyond the workplace. It requires union programs to address both the workplace and the societal conditions that affect members' lives. The **Raising the Bar** presentation was a gallery of social union themes: understanding the conditions in business and societal environments; raising, discussing and reaching consensus on issues and priorities; and developing and employing the skills and strategies to achieve bargaining breakthroughs and influence societal issues.

Mr. Hargrove introduced his union's negotiations with the major automobile companies by pointing out that Canadians are producing more wealth today than at any other time in the history of our nation, and that this wealth is concentrated in increasingly fewer

hands. The question the union poses is not "can Canada afford wage improvements and social benefits", but rather "what are our priorities as a society"?

To achieve its priorities and raise the bar, particularly in negotiations with the three major auto companies, the union spends a lot of time preparing to bargain. As a result, the union and its members know the bargaining environment. For example, Canadian auto assembly plants are more productive than United States and European plants, quality is as good or better, and labour costs are lower. The union is then confident in seeking a share of the wealth its members' productive work generates.

The union's priorities for that share in 1999 major auto bargaining included conventional union issues – improved pensions and wages with cost-of-living protection, and increased time away from the job. Less conventional priorities included breakthroughs that addressed members' needs considering societal conditions.

Pension improvement was the top priority. Mr. Hargrove explained that auto industry employers make the entire contribution to employee pensions,

and that the union negotiates pension terms and conditions every six years. Ms. Nash added that the excellent pension and early retirement improvements in the 1999 agreements encourage senior employees to retire early, retaining and creating employment opportunities for younger workers with less seniority.

Mr. Hargrove stressed that the union began its automobile industry pattern bargaining with the prosperous Ford Motor Company of Canada, Limited, with strong membership support, for what it calls an **annual improvement factor**: an increase directly related to productivity improvements. Employees were prepared to turn down the initial offer, and won a three per cent annual improvement factor plus cost-of-living allowance as the wage share of their adaptation and contribution to the employer's productivity and prosperity. The union achieved this with no work stoppage.

The third conventional kind of productivity recognition members sought was increased time away from the job. In its 1993 collective agreements, the union had introduced a **special paid absence**; paid time off scheduled by computer. The 1999 settlements raised the bar by adding one such week over the three-year life of the agreements, providing employees with two scheduled weeks a year to spend with their families in addition to statutory holidays and vacations.

The union also uses bargaining to deal with curtailed and reduced social benefits to people. For example, the union introduced **child care provisions** into its major auto agreements in 1983, expanded the language in 1987, and opened its first child care centre in Windsor in 1991. Mr. Hargrove proudly invited visits to this auto-worker friendly model, which is open 21 hours a day, accommodates all shifts, and accepts children during shift change as one parent is about to start work and the other is finishing the previous shift. A second centre was established in Oshawa. Without funding assistance, however, such model arrangements are inaccessible to many families. The 1999 auto settlements raised the bar by including an employer-paid supplement of up to \$10 per day per pre-school child in licenced, non-profit child care.

Further, to offset rising **post-secondary education costs** to families, the 1999 auto settlements introduced a new, employer-paid annual contribution

of \$800 for each dependent enrolled in college or university. Because **para-professional costs** are increasingly borne by families rather than public institutions, additional new family-related benefits include in-home services of a registered nurse or a registered practical nurse up to four hours per day to an annual maximum of \$7,500, and speech therapist services up to \$400 per participant per year.

Throughout their presentation, both Mr. Hargrove and Ms. Nash repeated that the success of such union breakthroughs depends on the will to pursue them and the membership support for them. Both mentioned several important union steps that introduce issues, encourage discussion and develop consensus long before local members meet to set bargaining demands and choose their teams.

Major auto employee orientation includes a component that introduces new workers to their union. In 1997, the union introduced paid union education leave into its collective agreements to ensure resources to provide continuing education to members.

The Canadian Auto Workers education programs extend well beyond skills and knowledge development. They are also incubators for creating networks, discussing issues, developing and sharing action ideas. Both speakers mentioned their union's Family Education Centre on Lake Huron, with its child care facilities and its special summer family week program for union members.

Also, the union's triennial Collective Bargaining and Political Action Convention brings representatives from all industries across Canada to review the situation in each major sector and discuss common current issues in terms of both a bargaining program and a political action plan, another example of membership development to pursue union goals in more than one way.

Further, when asked about union strategies to integrate/include women in a predominantly male union environment, Ms. Nash described several initiatives. These include a two-week residential leadership program for women, a women's department, and a similar structure for visible minorities. She concluded by emphasizing that encouraging members to organize and caucus within the union, and acting on their proposed solutions to

challenges, make the union more attractive and responsive to all members. For example, all members appreciate improved accessibility, they benefit from family-friendly union programs, and meetings can be more focused and productive when they are kept short to respect union members' lives beyond union participation.

In ***Raising the Bar***, Mr. Hargrove and Ms. Nash transformed a superficial image of lucky workers in auto assembly heaven to a sharper picture of how the union and its members set, achieve, and build on

bargaining goals to address their needs and share the wealth their productive work has generated. The speakers spotlighted why and how the Canadian Auto Workers works beyond the fair share it can achieve for its members through collective bargaining in a particular plant or industry. The presentation also explained where the union's leaders obtain their authority and confidence to pursue more than one way to do things, ways as bold as setting up model child care centres and presenting their national child care position to a committee of Parliament.

For more information on the union, its policies and programs,
visit its Internet site: <http://www.caw.ca/>

SELECTION OF RECENT CHANGES IN CANADIAN LABOUR LAWS

Adopted Bills, Regulations and Other Statutory Instruments

Michel Gauvin and Denis Dupont
Labour Law Analysis, Strategic Policy and Partnerships
Labour Program, Human Resources Development Canada

New Brunswick: Announcement of an increase in the minimum wage; Speech from the Throne of November 30, 1999

As part of the Speech from the Throne of November 30, 1999, the government of New Brunswick announced that it will be introducing legislation to increase the minimum wage by 25 ¢ effective January 1, 2000. The 25 ¢ increase will bring the hourly minimum wage from the current level of \$5.50 set on July 1, 1996, to \$5.75.

Nova Scotia: Amendment to the *Occupational Safety General Regulations* under the *Occupational Health and Safety Act*; Nova Scotia Regulation 92/99, Royal Gazette, Part II, of October 22, 1999

Comprehensive *Occupational Safety General Regulations* containing revised and updated safety requirements were issued under the *Occupational Health and Safety Act* in the spring of 1999. Two sections of the *Occupational Safety General Regulations* relating to demolition work took effect on April 28, 1999. The rest of the Regulations was scheduled to come into force on October 1, 1999; however, as a result of this amendment, that date has been changed to March 31, 2000.

Prince Edward Island: Amendment to the *Minimum Wage Order* under the *Employment Standards Act*; Prince Edward Island Order EC1999-513 Gazetted October 2, 1999

As announced by the government of Prince Edward Island on September 21, 1999, the amended Order provides for a three-phase increase in the general minimum wage rate which will rise from \$5.40 to \$6.00 per hour. The amendment provides for three 20¢ increments. The first increase takes place on January 1, 2000, when the general minimum wage

rate will rise to \$5.60 per hour. It will be followed by a second increase on January 1, 2001, bringing the general minimum wage rate to \$5.80 per hour, and, finally, a third increase on January 1, 2002 will bring the general minimum wage rate to \$6.00 per hour.

The Order comes into force on January 1, 2000.

Quebec: *An Act to amend the Act respecting labour standards and other legislative provisions concerning work performed by children*; Bill 50 sanctioned on November 5, 1999

Bill 50 is a consolidation of provisions on work performed by children. Unless otherwise indicated, the new provisions come into force on February 1, 2000.

According to the amended legislation, an employer is prohibited from having children perform work that is disproportionate to their capacity or that is likely to be detrimental to the child's education, health or physical or moral development.

The legislation also prohibits an employer to have work performed by a child under 14 years of age without first obtaining the written consent of the holder of parental authority or of the tutor. The employer must keep this consent in a register.

In addition, the legislation prohibits employers from having work performed during school hours by a child who is subject to compulsory school attendance. Moreover, according to the amended *Act respecting labour standards*, an employer who has work performed by a child subject to compulsory school attendance must ensure that the child's work is scheduled so that he/she is able to attend school during school hours. (The prohibition to have work performed during school hours was found previously in section 16 of the *Education Act*.)

The amended legislation prohibits employers from having work performed by a child between 11 p.m. on any given day and 6 a.m. on the following day, except in the case of a child no longer subject to compulsory school attendance, or in the case of newspaper deliveries, or in any other case determined by regulation. Moreover, an employer who has work performed by a child must schedule the work so that, considering the family place of residence, the child may be at his or her family residence between 11 p.m. on any given day and 6 a.m. on the following day, except in the case of a child no longer subject to compulsory school attendance or in cases to be determined by regulation. The provisions mentioned

in this paragraph will come into force on a date or on dates to be determined by the government.

The new legislation also includes provisions regarding changes to the composition of the Labour Standards Commission (Commission des normes du travail), namely, the addition of one vice-president. According to a Quebec government press release dated October 21, 1999, the modification responds to a need for administrative reorganization resulting mainly from the evolving mandate of the Commission, which is seeking to increase its expertise in the areas of monitoring and inspection.

For additional information on recently adopted or proposed changes to Canadian Labour Laws, please visit the Labour Program Web site at:

<http://labour.hrdc-drhc.gc.ca/>
and click on "Canadian Labour Law Information".

YESTERDAY AND TODAY

Record of Employment from Paper to Internet Technology

Suzanne Lépinay
Insurance Program Services
Human Resources Development Canada

Fifty Years Ago...

Prior to 1949, at the beginning of each fiscal year, on April 1st, employers were required to deliver their employees' Unemployment Insurance books to the nearest local offices of the Unemployment Insurance Commission for their renewal. In 1949, changes were made in the method of renewal. For the first time, the local manager could arrange for the renewal of the books on the premises of employers with large payrolls.

The *Unemployment Insurance Regulations* required that employers obtain an insurance book promptly for each new insurable employee, that contributions be recorded within 72 hours of each pay day, and that employers give the book to an employee immediately upon separation. The book would then be handed to a new employer immediately upon entering a new job. Failure to comply with these regulations by the employer or employee, could have led to delays and possible confusion and loss of credit for some of the employee's contributions.

If the instructions were followed carefully by the employers, it was expected that the new plan would improve the service rendered by the Unemployment Insurance Commission.

Today...

Each year, over one million Canadian employers create eight million multiple-part Record of Employment forms at considerable time, expense and aggravation. Every employee termination means the employer must complete a three-part form. The employee receives a copy for possible use in applying for Employment Insurance benefits and a copy is sent to Human Resources Development Canada, where standard data entry captures information to validate applications.

The introduction of a pilot project identified as Record of Employment Web will enable employers to create and print records of employment by using Internet technology (common Internet browsers such as Netscape or Explorer) and submit the records electronically to Human Resources Development Canada. The Web will consist of two main tools: data entry will allow employers to complete forms on the web site and transmit them to Human Resources Development Canada for electronic validation whereupon they will be acknowledged, assigned a serial number and retransmitted to the employer. Bulk transfer will allow employers with a high volume of records to extract data from their payroll systems and submit them in batches, using file transfers over the Internet for bulk processing. The employer will be acknowledged of valid transactions and rejections. The Web will protect the confidentiality, integrity and authenticity of data exchanged by using the *Public Key Infrastructure*, which will use the highest level of security.

The first phase of the pilot, which will start late in January 2000, will include a limited number of employers who issue records of employment without the service of a third party. The objectives are to confirm the concepts of the technology and the requirements of the applications. Subsequent phases will expand participation of employers to cover a wide range of industries, geographic locations and third-party service providers.

The project should realize immediate benefits for employers by reducing the burden of paper records, curtailing the workload of data entry and improving the quality of information through built-in edits.

Information Products and Client Services

Client Services

The Workplace Information Directorate is your source for up-to-date, customized information on industrial relations and collective bargaining.

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Workplace Gazette

A quarterly publication providing data on wage adjustments from major collective bargaining settlements by industry, sector and region; detailed analysis of select provisions in major agreements; comprehensive and in-depth information on innovative workplace practices in Canada resulting from collective bargaining; a quarterly calendar of major collective agreement expiries and reopeners; and, a chronological perspective on work stoppages in Canada. It also features articles or case studies on pertinent industrial relations matters. Annual subscription: Canada, \$125 plus 7% GST (\$133.75); other countries, U.S. \$125.

The Wage Settlements Bulletin

Monthly (12 issues). Provides the most up-to-date information and analysis of major wage developments in collective bargaining in Canada. The Bulletin is a valuable and recognized reference source providing statistical and analytical information illustrated with useful charts and tables on recent wage developments in Canada. The aggregate data and details are published in the following groupings: public and private sectors, regions and jurisdictions, and major industry groups. Annual subscription: Canada, \$200 plus 7% GST (\$214); other countries, U.S. \$200. (Available by fax or by mail).

Collective Bargaining Bulletin

A monthly publication containing timely information based on recently signed major collective agreements in Canada. The publication focuses on summaries of changes to wages and benefits in selected settlements, the status of key negotiations as well as data on work stoppages in Canada. In addition, a listing of formal and up-to-date reports of major settlements is provided and copies are available by calling the Workplace Information Directorate at 1-800-567-6866 or (819)997-3117. Annual subscription: Canada, \$50 plus 7% GST (\$53.50); other countries, U.S. \$50.

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